INTEGRITY ACTION

INTEGRITY TEXTBOOK

Live and work with integrity
You can do it!

October 2015

Contents

Foreword

I am thrilled to be able to share with you this first edition textbook from Integrity Action on the subject of Integrity. Integrity Action has taught integrity for over ten years in different contexts and with various audiences such as high-level government officials, academics as well as school students. Over the last few years, we have been asked many times to document our pioneering approach to making integrity work and produce a sourcebook that academics and students can refer to when teaching or studying integrity. The result is, in my opinion, an excellent textbook which we hope will equip you to live and work with integrity in all aspects of your life.

This textbook presents integrity in all its forms with both theoretical and practical material to help you understand the importance of acting with integrity. Each chapter is written as a standalone module, so you will notice that some sub-topics are repeated within different chapters. The textbook was purposely written this way so that a teacher can take each specific topic and teach it as it is, without having to refer to other chapters or modules.

This book suggests that the emphasis on combating corruption has been misplaced in the past - it is not so much a matter of correcting what has been done wrong, but rather focusing on what can be done to build integrity, and setting up systems and structures to promote, incentivise and strengthen doing things right**. This is the underlying mission of Integrity Action - emphasising the overarching role of building integrity as a means of reducing corruption.** Integrity Action incorporates the original ideas of ethics, and joins this to accountability and competence as the fundamental way of combating corruption.

Integrity Action wants to re-balance the understanding of corruption - to build institutions and ways of working that proactively prioritise integrity as a bulwark against corruption, rather than spend time solely trying to act against instances of corruption. Integrity Action believes that there is a need to have and build strong and resilient societies that can resist the attractions of corruption, and can suggest and live with a better alternative - integrity.

This book starts with the personal perspective and builds on this foundation of personal integrity to how it can be applied to management in government, business or civil society. From this view of professional integrity, the book then moves onto building integrity within communities

and society more generally. We have aimed to make the chapters practical and context specific, so you will find group exercises and further readings throughout.

The target audience is university students and young professionals and this textbook aims to support lecturers and trainers at the tertiary level who are teaching students and public officials the importance and practice of integrity. It is geared towards learners in any country - throughout the book students are often asked to use the context of their own countries to make the learning specific to their personal lives.

This book intends to raise issues and provide a structured process through which learners can understand the subject, as well as provide references for further study for interested readers. There may be aspects of the contents that you disagree with. I hope you will use the opportunities of the exercises to show your point of view and exchange views with the other learners.

I want to extend my special thanks and appreciation to the contributors of this book, including Richard Holloway, who drafted the bulk of the material, Fredrik Galtung who inspired most of the teachings within and has developed the material through many years of teaching and discussions with students, as well as Ellen Goldberg for her vision and persistence in seeing this mammoth project through to completion! There are also contributions from our staff and members of our Integrity Education Network who bring a uniquely local perspective and summarise the realities of building integrity within their countries so well.

I would like to pay tribute to our partners in the Integrity Education Network, who have journeyed with us these last ten years and helped us develop this material and test out our ideas. We are truly grateful for your inspiration and the impact you are making in building integrity in some of the world's most challenging environments.

We really hope you find this interesting, informative and challenging, as a useful guide to building integrity.

Joy Saunders
Chief Executive Officer
Integrity Action

October 2015

Abbreviations

ABA	American Bar Association
ABC	Anticorruption Business Council
ACF	Anticorruption Forum
ADB	Asian Development Bank
AIDC	Agency of Investments Development in Communities
AIDS	Acquired Immune Deficiency Syndrome
AFTC	Agency for Free Trade and Competition
ALK	Association of the Lawyers of Kyrgyzstan
AMPKR	Academy of Management under the President of the Kyrgyz Republic
CAEF	Central Asia Eurasian Foundation
CBIFOIBT	Convention on Combating Bribery of Foreign Officials in International Business Transactions
CBO	Community Based Organisation
CC	Central committee
CEO	Chief Executive Officer
CEP	Customs, Excise and Preventative Service
CIB	Community Integrity Building
CIDA	Canadian International Development Agency
CIS	Commonwealth of Independent States
CPI	Corruption Perceptions Index
CoE	Council of Europe
CRC	Citizen Report Card
CSO	Civil Society Organisation
CSRDG	Center for Strategic Research and Development of Georgia
DCFTA	Deep and Comprehensive Free Trade Agreement
DFID	Department for International Development
EPRC	Association Green Alternative, Economic Policy Research Center

EU	European Union
FDI	Foreign Direct Investment
FOI	Freedom of Information
GBP	Great British pound
GCB	Global Corruption Barometer
GDP	Gross domestic product
GEL	Georgian Lari (currency)
GEPAC	Anti-Corruption Strategy of Georgia
GLONASS	Global Navigation Satellite System
GRECO	Group of States against Corruption
GYEA	Association of Young Economists of Georgia
GYLA	Georgian Young Lawyers Association
HEI	Higher Education Institution
HR	Human Resources
IABPG	International Association of Business and Parliament - Georgia
ICT	Information and Communications Technology
IE	Integrity Education
IIPF	International Institute for Public Finance
IMF	International Monetary Fund
INDEM	Information Science for Democracy
JWG	Joint Working Group
KR	Kyrgyz Republic
KGS	Kyrgyzstan Som
MDGs	Millennium Development Goals
MG	Monitoring Groups
MSDSP	Mountain Societies Development Support Programme
NAC	National Anti-corruption Council
NGO	Non-governmental Organisation

NIS	National Integrity System	**SIDA**	Swedish International Development Agency
NSA	National Security Agency	**SME**	Small- and Medium-size Enterprise
NSC	National Security Council	**SOE**	State Owned Enterprise
NSCEC	National Service on Combating Economic Crimes	**SPA**	State Procurement Agency
NPO	Non-profit Organisation	**SSR**	Soviet Socialist Republic
IABPG	International Association of Business and Parliament - Georgia	**TI**	Transparency International
OAS	Organisation of American States	**TI-G**	Transparency International-Georgia
OECD	Organisation for Economic Co-operation and Development	**TI-R**	Transparency International-Russia
		TIRI	Integrity Action's former name
OSCE	Organisation for Security and Cooperation in Europe	**UAE**	United Arab Emirates
OSGF	Open Society Georgia Foundation	**UK**	United Kingdom
OSI	Open Society Institute	**UN**	United Nations
PPI	Pro-Poor Integrity	**UNAG**	United Nations Association of Georgia
PSCs	Public Supervisory Councils	**UNCAC**	United Nations Convention against Corruption
RICO	Racketeer Influenced and Corrupt Organisations	**UNDP**	United Nations Development Programme
RNAUDW	Rural Nongovernmental Association of the Users of Drinkable Water	**UNICEF**	United Nations Children's Fund
		UNO	United Nations Organisation
Rosreestr	Federal Service for State Registration, Cadastre and Cartography	**UNESCO**	United Nations Educational, Scientific and Cultural Organisation
RSFSR	Russian Soviet Federative Socialist Republic	**USA**	United States of America
RusHydro	Russian Hydroelectricity Company	**USAID**	United States Agency for International Development
SA	Social Accountability	**USFCPA**	United States Foreign Corrupt Practices Act of 1976
SAOG	State Audit Office of Georgia	**USSR**	Union of Soviet Socialist Republics

List of Figures

Section 1 Corruption

Module 1

Corruption through history - and the importance
of building integrity

Section 1 Corruption

Purpose of this module

The purpose of this module is to introduce you to the concept of corruption, while realising that, for many people, the place that they are starting from is a desire to fight corruption.

The subject matter of this module is a historical view of corruption which shows how corruption was originally thought of in ethical terms, but has subsequently been understood mostly in terms of breaking rules and regulations set up by the modern state. This module suggests that the balance has been wrong in the past - it is not so much a matter of what has been done wrong, and trying to correct that, but emphasising what can be done right, and setting up systems and structures to promote and strengthen doing things right. This is the emphasis underlying the mission of Integrity Action - emphasising the overarching role of building integrity as a means of controlling corruption. Integrity Action incorporates some of the original ideas of ethics, and joins this to accountability and competence as the fundamental way of combating corruption. In more recent times we have all become more concerned with the specifics of fighting corruption rather than building a society with the kinds of values that will not allow corruption to flourish.

Integrity Action wants to re-balance the understanding of corruption - to build institutions and ways of working that proactively prioritise integrity as a bulwark against corruption, rather than spend time solely trying to act against instances of corruption. And Integrity Action believes that this is in line with history and tradition - the need to have and to build strong and resilient societies that can resist the attractions of corruption, and can suggest and live with a better alternative - integrity.

This module contains examples and exercises, but will only be powerful if it is strongly infused with examples from the lives of those who are participating in the module. It is important to make sure that this module is realistic and corresponds with the real world from which the participants are drawn.

Chapter 1

Corruption as a failure of ethics

Corruption is not a term that is used in ancient history. What we do find are references to "bribes" and "extortion" and nearly always these are approached from the perspective of "ethics" - that people who are respected know what is right or wrong, good or evil, and are able to judge others' behaviour if they behave in ways that break these standards. It is assumed that the standards of such respected people are the standards that are agreed by society.

The oldest ethical teachings come from religious teachers, and they are nearly always with reference to an assumed (and sometimes a stated) code of ethics. If a person behaves in a way that contradicts the standards agreed by all, then that person can be condemned for anti-social behaviour since most people feel that society will only flourish if the laws, rules, traditions and codes are kept, and this is the basis of accepted behaviour.

Early ethical teaching

Bribery and extortion are:

- Against God's teaching
- Against the law
- Against agreed social standards
- Harmful to other citizens

Disobeying the ethical standards that are accepted by all is not a matter of breaking a law - it is much deeper than that. It is a matter of breaking what are accepted as the norms of good behaviour and which have been absorbed into religious and cultural teachings. A corrupt person, therefore, even when the term "corruption" is not used, is a person who has transgressed what are both the accepted standards of that society, and the dictates of religion. For many of the world's peoples, religion provides the moral guidance for members of a society, and people are judged as to whether they show themselves behaving in line with that religion. Corrupt behaviour was therefore seen as likely to attract social disapproval as well as attract divine retribution.

Another important aspect of these moral standards about bribes or extortion concerns how they impact on relationships. Irrespective of how corrupt behaviour is seen from the perspective of ethical standards or religion, international ethical texts[1] emphasise that it is important to judge whether certain kinds of behaviour have hurt other people or not. This seems to be the basis of the judgments that people make about unacceptable behaviour, which is similar to how society condemns greater crimes like theft or murder. They are condemned because they transgress moral, ethical, and religious teachings, because they hurt people, and because they impact badly on relationships.

Sanctions and punishment

Therefore those who bribe and extort:

- Should be spiritually reprimanded
- Should be prosecuted and punished in law
- Should lose their respect and their reputation for integrity amongst their peers
- Should be socially condemned

What follows are some quotations from different kinds of scriptures that deal with the kind of behaviour that would later be called "corruption". The common features of them are that (a) rulers and leaders of society should be the ones who uphold the moral standards, (b) judges are important arbiters of moral standards and (c) bribes are often linked to lawsuits.

The quotations come from UNDP's PARAGON Training Module on Public Service Ethics and Accountability.[2]

Hebrew Old Testament:

Advice to Moses

Look for able men… who fear God, are trustworthy and hate dishonest gains: set them as officers over thousands. Let them sit as judges.

Law of Moses

You must not distort justice; you must not show partiality; and you must not accept bribes for a bribe blinds the eye of the wise and subverts the cause of those who are in the right.

Hindu Scriptures

The Laws of Manu;

The king should banish and confiscate the property of those evil minded men who take money from parties to lawsuits

Chinese scriptures

Confucius

"virtue" is loyalty to the family - too much emphasis on virtue might make officials too benevolent to their families, and hence corrupt,

Hsiao Ching

...Some officials make a business of presents and bribes

Buddhist scripture:

If an important minister neglects his duties, works for his own profit, or accepts bribes, it will cause a rapid decay of public morals. People will cheat one another … take advantage of the poor and there will be no justice for anyone

Unjust officials are thieves of peoples happiness … they defraud both ruler and people, and cause the nation's troubles

Christian Scripture:

Advice from John to tax collectors
Collect no more than the amount prescribed for you

Advice to soldiers
Do not extort money from anyone - be satisfied with your wages

Islamic Scriptures

Quran

Allah curses the giver of bribes and the receiver of bribes, and the person who paves the way for both parties

[2]unpan1.un.org/intradoc/groups/public/documents/eropa/unpan002651.pdf

Early teaching on corruption (mostly bribery and extortion)

Concentrates on:

- The power and integrity of leaders and attempts to influence this
- The problems of justice in the courts
- The position of judges as arbiters in society

These old religious references to bribes and extortion are of two kinds:

a. In the context of absolute rulers whose word was the law. Corruption was not, therefore, to do with breaking the law, or finding ways around the law - it was about getting closer to the absolute ruler so that a person could acquire some of his/her power - and it seems that people were prepared to pay to do that, but that payments of this kind were considered unethical and to be rejected.

b. In the context of lawsuits before judges who were thought to be people of strong ethics, and should not be susceptible to bribes.

Religious teachings are often absorbed into culture and traditions, such that religious prohibitions become part of the ways that children are brought up, even if parents are not strong adherents to a particular religious faith. Children will therefore absorb teachings and rules for people's ethical conduct from their parents, both formally and informally. These will be related to standards of integrity (i.e. honesty and trustworthiness). At the same time, children will absorb from the behaviour of people around them that such standards are frequently transgressed.

This produces confusion in a child growing into an adult about what is correct behaviour by which a person should live their life. They hear one thing, but they see another thing being practiced. They hear exhortations to ethical behaviour from religious leaders and national leaders, but know from their experience that everyday life is often very different from this.

Position of children

They are exposed to:

- Ethical teaching and models
- Actual practice which they observe
- Generally corruption becomes the norm to which they are exposed and people of integrity are rarely identified

It is, however, true that there are no religions, no faiths and no national exhortations which consider bribery or extortion as being admirable behaviour which should be followed. There is always a contrast between publicly declared standards and actual behaviour which either ignores such standards or defends itself against such standards in a number of ways.

Corruption is universally seen as shameful in public - there is no country which does not treat corruption as a criminal offence. In no country do corrupt people speak publicly of their corruption or advertise it for public approval: an innate fear of appearing shameful prevents the corruptor or corruptee from parading their exchange in the public view. A person who wants to have the respect and trust of his/her fellow citizens (i.e. to be a person of integrity) does not advertise their corrupt behaviour.

A book called "It's Our Turn to Eat" by Michaela Wrong[3] tells the story of John Githongo in Kenya who exposed the corruption of President Mbaki's government. What seemed clear in Kenya was not that people disapproved of corruption per se, but that they wanted their turn to get at the benefits of corruption.

Corruption is publicly regarded as shameful

- No-one publicly advertises his/her corruption
- No country has laws allowing or encouraging corruption on their law books

Corruption is universally condemned although perhaps privately practiced. Persons of integrity, if identified, are prasied and held up as role models.

However - this did not happen in the case of John Githongo in Kenya's "It's our turn to eat?

Exercise

Exercise: How did you learn about corruption?

Divide the students into groups of 4, and ask each group to discuss: (30 minutes - possibly use flip charts)

- What were you taught about corruption when you were growing up?
- What models of good behaviour were provided to you?
- What observations of corruption did you make as you were growing up?
- What guidance did your parents give you about corruption?

Bring the students back into the plenary and ask each group to share their findings and give examples to the others, one after the other.

Ask students what were the common factors between the four groups? What can they learn about attitudes to corruption as they grew to be adults?

Do people in their countries defend corruption by saying "It's our turn to eat"?

---

[3] www.michelawrong.com/ourturntoeat_syn.html

Chapter 2

Corruption and patronage

Most corruption is occasioned by people who want to acquire more resources - usually in terms of cash, but also in terms of prestige, power and influence. They are prepared, in the modern state, to do things which are understood to be either illegal or unethical in order to acquire these resources. There are recognised rules and regulations, and there are people who are prepared to subvert or break those rules and regulations in order to help themselves.

If we go back before the modern state, however, we find that power flowed from autocratic rulers and absolute despots. King Louis 14th of France was famous for saying *"L'etat c'est moi"* ("I am the State). In times of autocratic rulers who had ownership of the State and all of its resources, the only way for people to acquire more resources was to become closer to and better liked by the autocratic ruler, or by those who had been appointed by the autocratic ruler. There were few rules to obey in order to improve your wealth except the rule of pleasing the ruler, and getting him to reward you for your services or for your attitude. Both to protect oneself against adverse situations, and to improve one's livelihood, a person would try to obtain the patronage of the ruler or the ruler's appointed subordinates.

L'etat c'est moi (The state is me)

- The ruler owns all the state's resources
- There are no rules except those set by the ruler
- Increasing your income is best done by improving your relations with the ruler (or the friends of the ruler)
- Objectively defined rules and regulations have not yet been established (or have been ignored)

Since all rules were set by the ruler, there was little advantage to be had from breaking his or her rules - quite the reverse. The ruler provided individuals, as he/she decided, with the right to public office (or property or other resources) and this was seen as the way in which that person would enrich themselves. Public office was considered private property, and this was a way in which the ruler could gain the loyalty of his subjects and, at the same time, allow individuals to enrich themselves. If the state did not have its own rules and regulations separate from the decisions of the ruler, then the person who wanted to advance his/her position did not do so by either keeping to or breaking the rules and regulations, but by currying favour with the ruler or his/her circle of trusted intimates.

Another side of the patronage system was that those who were recognised and rewarded by the ruler usually had to pay for this privilege. They had to pay tribute to the ruler, and it was recognised that the benefits given by the ruler were returned to him or her in the form of money (or possibly by the provision of armed soldiers).

Whereas public officials in the present day are expected to recognise that they exercise state power and manage state resources as trustees (by delegation or directly) for the general public good, this was not the case in the past where state power was administered by individuals under the general direction of the ruler. It was also recognised that this power allowed an individual to enrich him/herself, and at the same time this ensured his/her loyalty to the ruler.

The ruler requires payment for his patronage

- The ruler allows discretion to his "regent" to extract payment
- The "regent" demands enough payment to enrich him/herself, and pay the ruler
- The "regent" can demand as much as he can extract, with no controlling legislation
- Each person can try to influence his patron to make life easier for him/herself

The pattern of payments depending on patronage and attempts to influence patrons to reduce payments is long established.

It is important to realise that patronage was not considered in historical times to be in any way an unethical or a morally dubious way of managing the state. Major state power came to those who were closest to the ruler, but smaller amounts of power (and the opportunities for enrichment that came with them) were managed at lower levels in the hierarchy. The people who suffered most from patronage were those who did not, in effect, have a patron, but who were at the mercy of those who controlled patronage.

For instance, in Java in Indonesia, in historical times, the Sultan would give the authority over a piece of land to an individual and demand a certain amount of tribute in the form of agricultural produce for that position. The representative of the Sultan would then demand from the people not only what was needed to pay the Sultan, but what he/she required from the people for his/her own income. The poor people at the bottom of the hierarchy were at the mercy of the Sultan's representative, and if they were being squeezed too hard, they only had the option of petitioning the Sultan's representative to be more lenient. This was all handled on a personal patronage basis because there were no objective laws to be enforced.

Not surprisingly, the system evolved into one that depended upon objectively managed rules and regulations that derived from laws which did not depend upon one person's interpretation.

While it is interesting to examine power relations and the ways that the state was run from an historical perspective, anyone reading this description will see modern parallels to the patronage system in contemporary times. In many countries where there is not a fully functioning modern state, there will be inherited systems of relations that derive from patronage. Today, however, patronage will find itself at odds with the systems and structures of a modern state. An elected leader (not usually a ruler) will, these days, not be able to give benefits to those he/she wants to assist, and claim back from them tribute that he/she demands because of such structures as tax, procurement regulations, public service laws, and parliaments.

When we describe corruption as "the misuse of public office for private gain"[4], we are assuming that everyone accepts and agrees to a distinction between public and private. Both historically and in some contemporary societies this is not necessarily so, and practices from a pre-modern state continue. In Papua New Guinea, for instance, it is consistently accepted by the people that the job of an elected politician is to use state resources that he/she can control to give hand-outs to his or her people (meaning "tribe" or "clan"). In many countries with autocratic leaders, it is accepted that they will try to enrich themselves and that a person who wants to improve their life will seek to access some of those riches through developing a close relationship with that autocrat.

Civil servants in many countries see public service "as an opportunity to generate wealth for themselves, their families and their friends" and we can see this as a modern version of the patronage system of the past with the state taking the place of the patron. Other people may behave corruptly because of a long tradition of patronage in the culture or traditions of a country, and people feel that there is no shame in doing something that has always been done that way.

Difference between public and private property is not always clear

- Often it is the expectation of a patron that he/she provides for his/her clients
- Often the patron has access to government property, then it is expected that this will be the source of patronage
- Often the suppliant looks for ways to establish a relationship with the patron which will result in resources being directed to him/her
- Often any rules/regulations/laws that counter this expectation are either not known, or ignored.

✎ Exercise

The residual effects of patronage on corrupt practices today?

Divide your class into four groups and ask them each to discuss:

- What examples can you provide of people using patronage to obtain benefits for themselves in your country?
- Do those using patronage consider that this is illegal?
- Do they consider that this should be illegal?
- Who, or what agency in your country are (a) trying to prevent this, or (b) educate people that this is not acceptable behaviour?
- What arguments are used to try and persuade people that this is not acceptable behaviour? In general are these persuasive and accepted, or not?
- How would you argue that this is not acceptable behaviour?

After half an hour ask each group to provide their answers to the other groups and develop a plenary discussion. Finally try to establish consensus answers and provide these to the class.

Chapter 3

Corruption and the growth of the modern state

Over the last two centuries the modern state has become replete with rules and regulations agreed by the Legislature and systematised through the Executive and the Judiciary. Government agencies have gradually increased their role in circumscribing what is and is not allowed for a person to do. The police and the army, the tax and customs departments, the local government, public enterprises, have all grown their own regulations and codes of behaviour. Organic laws, often embedded in constitutions, cover budgeting, accounting and auditing supported by laws and regulations on public procurement and the safeguarding of public assets. Some of these laws are, in different countries, a legacy of colonial inheritance, some have been adapted from countries with a similar legal tradition, while some are additions to existing laws.

It has gradually been accepted that the development of merit-based bureaucratic values, institutionalised competitive politics and established transparent government processes will produce a better performing government that delivers successive stages of economic and social development. To a large extent the push for more government came from disgruntled and excluded people who were no longer prepared to accept the unfair and elitist policies of patronage and inherited privilege, and to some extent from enlightened rulers or by new and competing political groups.

---

[4]R. Klitgaard, "Cleaning Up and Invigorating the Civil Service," World Bank Operations Evaluation Department, November 1996

What influenced the formation of a rules-bound modern state?

- Pressure from those who objected to the exploitation of the past
- Pressure from those who saw rules as helpful to improvements in their lives
- Enlightened rulers
- Competing political groups
- Colonial inheritance

If we bring our examination more up to date, the International Monetary Fund has told us that[5]:

"Recent studies have shown the extent to which the role of government in the economy has grown in recent decades, and especially since the 1960s. The environment that prevailed in these days brought about (a) a large increase in the level of taxation in many countries, (b) a large increase in the level of public spending, and (c) most probably, though not statistically ascertainable, a large increase in regulations and controls on economic activities on the part of governments. In recent decades, in a significant number of countries, most economic operations have needed various kinds of permits of authorisations on the part of public offices. Licenses, permits, and authorisations of various sorts are required to engage or continue to be engaged, in many activities. Opening a shop or keeping it open, borrowing money, investing, driving a car, owning a car, building a house, engaging in foreign trade, obtaining foreign exchange, getting a passport, going abroad etc., require specific documents of authorisations. Often several government offices must authorise the activity and several public servants must be contacted".

The evolution of government's interference with a citizen's autonomy would of course be gradual, but we can think about the likely response of a citizen:

- At one extreme there would be delight and gratitude that the modern state had defeated and overcome the range of discretionary payments and exploitative requirements of a patronage based system. From the point of view of a poor person, it would be very likely that their lives would be better under the control of the state and its rules and regulations. An example from the UK is Samuel Pepys[6] (who worked for the Navy and kept a diary): he informed us that four hundred years ago sailors were paid miserable wages, their wages were often kept by the ships' captains, captains were appointed (and dismissed) by the ruler, captains often knew little of geography and map reading, and ordinary citizens were often kidnapped to become sailors against their will since no sensible person would voluntarily join the Navy. A change to a fixed wage which was actually paid and a meritocratic appointment of captains together with their training would have been attractive to most people (and actually occurred over time).

- At another extreme would be rules and regulations which were seen as interfering with the lives of people, and particularly their income. Taxes are likely to have been an importantly unpopular measure - and even more so when the benefits of the taxes were not evident to the citizen. Most states operated on the basis of a "social contract"[7] by which a citizen agreed to be taxed and managed by the state in return for a way of life that was acceptable and agreeable to him/her – and which, through the process of democracy, allowed the social contract to be renegotiated at regular intervals if it was not acceptable to the majority. There may well have been people in many countries who saw that the social contract was exploitative, that it sucked resources from them to an unproductive and self-serving elite, and that it should be avoided wherever possible.

- A much more common scenario would be one in which people accepted government regulations so long as the value of these was well explained, and believed, and so long as there were further regulations in place which threatened punishment of those who broke such regulations and behaved in corrupt (i.e. rule breaking) ways. So long as there were regulations which were acceptable to the citizens, so long as the citizens felt that the regulators were honest, and were constrained by the same regulations, so long as opportunities for people to become richer and improve their lives existed, and so long as the threat of sanctions for not observing (or breaking) the regulations was there, it would be unlikely that corruption would take place. This seems to be the situation in Singapore[8], for instance.

Possible citizens' responses to the modern state

- Relief and thanks that exploitation has been curbed
- An imposition on a citizen's "rights", are likely to be subverted from those in charge of the state
- Grudging acceptance if the reasons are clear, the regulators are honest, the rules applied to all, and opportunities for self-improvement exist.

There are, however, a large number of "ifs" in this paragraph. If any of them are not present, it is likely that there would be a willingness amongst citizens to behave in corrupt (i.e. rule breaking) ways. In many countries there is a development of corruption over time, particularly if there was a revolutionary period of patriotic and ethical zeal which gradually diminished over time, as has happened in Russia and China.

As Vito Tanzi of the International Monetary Fund has expressed it:[9]

"I would hypothesize that the impact that high taxes, high levels of spending, and new regulations have on spending is not immediate, but rather, it is a function of time and established norms of behaviour. In a country with traditionally well-functioning and honest bureaucracies, the short term impact of a larger government role on public

[5]IMF working paper 1998 "Corruption around the world: causes, consequences, scope, and cures"

[6]"Diary of Samuel Pepys" vols 1 & 2. Ed Richard le Gallienne. Modern Library Classics 2003

[7]Friend, C. (2004). *Social Contract Theory*. The Internet Encyclopedia of Philosophy - IEP. UT Martin, Web. Retrieved August 6, 2015. www.iep.utm.edu/soc-cont/>

[8]"Combatting Corruption Singapore-Style - lessons for other Asian countries. Jon S.T.Quah.

[9]"Corruption around the World. Causes, consequences, scope and cures". Vito Tanzi. IMF Staff Papers Dec 1998

officials will be limited. For some time, public officials will not be asked to perform corrupt acts and will reject bribery attempts. In countries without such traditions, the more invasive role of government, played through higher taxes, higher public spending, and more widespread regulations would have a more immediate impact on the behaviour of civil servants and on corruption. This will be particularly so if fiscal policy suffers from lack of transparency in policy making, in fiscal reporting, and in the assignment of responsibilities to public institutions.

However, with the passing of time, and with increasing frequency, some government officials would be approached by bribers and asked to bend rules or even

to break laws to obtain a government benefit or to avoid a government imposed cost. Some will respond and get compensation from the bribers for their actions. Others may start emulating them. The process is likely to be cumulative in time and resemble the spreading of a contagious disease. Acts of corruption that might have appeared shocking earlier will begin to look less shocking, and may even begin to be tolerated."

Vito Tanzi's paragraphs seem to describe the situation of India and Indonesia and many other countries.

Exercise
Obeying or choosing what to obey?

Form the participants into 4 groups and ask them to discuss the following questions:

- Do you choose which rules you want to obey?
- What are the factors that make you decide which rules should be obeyed?
- What factors, in your country, stop people from obeying the laws?

After separate discussions in groups, ask the groups to present their answers to the others in plenary and try to build a consensus position of the participants.

Chapter 4
Three additions to corruption - colonialism, communism and the Cold War

While the dynamics mentioned in the previous chapter continued - between those who thankfully accepted a growth in rules and regulations, those who objected because they did not feel that the social contract was being upheld by the state, and those whose behaviour was formed by what they felt they could get away with, there were three broad social movements that both added to modes of corruption as they were practiced, and left a legacy of behaviour that continues to this day. These were colonialism, communism - or more specifically, centrally planned economies - and the Cold War.

Colonialism

The term colonialism here refers to an international system of economic exploitation in which more powerful nations dominate weaker ones. A distinction is made between two phases of colonialism; active and passive colonialism. The former refers to the conquest of a people followed by direct control or domination of them by the conquerors using a combination of measures, such as military coercion and dominance of major internal institutions. The latter, on the other hand, represents what is commonly referred to as neo-colonialism or the extension of economic domination of a people beyond the attainment of self-rule. The second phase of colonisation is associated with practices, policies and structures inherited from the first phase.

Some countries claimed that they were also bringing 'civilization' to the colonial countries, and some that they were making the colonised country more productive by introducing crops, industry and commerce, but the basis for colonialism in nearly all countries was to acquire riches, and often to do this by force. Accountability, honesty, transparency and other aspects of integrity were rarely its important features. For many people in Britain, for instance, the possibility of gaining great riches (backed by military strength), of becoming "nabobs" (a corruption of the Hindu word "nawab" meaning a very rich ruler) was what drew them to India, and the resulting Nabobs working through the East India Company, brought back their riches to Britain and seriously distorted the working of parliament and government to their own advantage. At the same time the way they engineered the social structures of those parts of India they controlled resulted in famine, epidemics, and the creation of the Zamindar caste of exploitative landlords.

Similar stories can be told of Congo whose future was put in jeopardy by the extraction of rubber, the West Indies (sugar), South America, and the southern parts of the USA (tobacco and cotton) which was aided by the trafficking of slaves from West Africa. The inheritance of patterns of behaviour that supported corruption, however, was also important in other countries that were not obvious sources

of riches to be conquered and stolen. Mulinge and Lesetedi's book "Interrogating our Past: Colonialism and corruption in Sub-Saharan Africa"[10] suggests there were four aspects of colonialism which laid down patterns of acceptable behaviour that subsequently are seen to have condoned corruption:

1. The colonial powers made chiefs into tax collectors for them, and encouraged them to exploit their own people

2. They used the strategy of divide and rule to raise up particular tribes as their agents and thus control others, which encouraged tribal favouritism and nepotism

3. They appointed "colonial" chiefs, even where such structures were not common, and encouraged them to become rich and carry out the instructions of the colonial power.

4. They appointed structures of government and administration, which gave enormous power and prestige to presidents who then entrenched patronage as their *modus operandi*.

The Influence of colonialism on corruption

- Very wealthy classes of people were created who were able to capture the state for their own interests

- Local leaders were helped to exploit their own people

- Local leaders were helped to prioritise their own people

- Local leaders were given opportunities to entrench patronage as the way of working

Communism (or centrally controlled economies)

The Soviet Union came out of a system of patronage with an all-powerful ruler (the Czar or Emperor) and replaced it with a system of a very powerful ruler created through the workings of the Communist Party - but the problems of patronage still continued as people contested to become close to the President and derive power and income from that closeness.

The structure of a central command economy, however, meant that market forces as a way of distributing and exchanging resources were forbidden. Investments and transfers of resources therefore had to be made on the basis of decisions made by the party hierarchy, and when there were problems with this, the pressure to persuade people to make decisions conducive to their enterprise or organisation through bribes became common. As Vito Tanzi has remarked,[11]

"...in many (Soviet Union) countries enterprises, and especially small enterprises, are forced by public officials to make payments for things to happen or to keep bad things from happening - and often these payments have to be made if the enterprise is to remain in business (with failure something that brings strong sanctions from the state)."

The complex demands of the modern economy and inflexible administration overwhelmed and constrained the central planners. Corruption and data fiddling became common practice among the bureaucracy by reporting fulfilled targets and quotas[12], thus entrenching the crisis.

[10]www.academia.edu/10858241/Interrogating_Our_Past_Colonialism_and_Corruption_in_Sub-Saharan_Africa ; Afr.j.pol.sci.(1998), Vol. 3 No. 2, 15-28

[11]Corruption around the World. Causes, consequences, scope and cures". Vito Tanzi. IMF Staff Papers Dec 1998

[12]"The System made me do it - corruption in post-communist societies". Rasma Karklins. M.E.Sharpe Inc, USA. 2005

Corruption in the form of bribery was common, primarily due to the paucity of goods and services on the open market. When the Soviet Union collapsed and the former Soviet Union went into a chaotic transition to its present quasi-capitalist and quasi-democratic state, the patterns of corrupt behaviour that were present in the society were hugely magnified as the spoils from privatisation became so much larger. Not only were individuals able to capture the control of huge resources, but they were able, with the income derived from those resources, to control significant parts of the executive, legislature and judiciary as well as the media.

The countries in Africa and Latin America which were persuaded of the value of centrally controlled or command economies absorbed many of the practices of the Soviet Union, including the tendency to use bribes as a way of making the increasingly dysfunctional economy function. Once such tendencies were built into people's social behaviour, they tended to continue whichever economic structure was put in place.

The influences of communism on corruption

- Historical supreme leaders were replaced by modern supreme leaders

- Bribery was needed to make up for failures of the command economy, in the absence of market forces

- Privatisation in the melt down of the Soviet Union established new mega enterprises on the back of corruption

The Cold War

In the period after the Second World War and the Korean War there was great rivalry between the US and the Soviet Union, and a continual struggle to get different countries into 'their' ideological and strategic camp. A lot of this was occasioned by the desire of one or the other side in this 'Cold' War to make sure that they were given preferential access to the raw materials of that country, but it went further – often seeking to make sure that a certain country voted with one or other bloc in the United Nations. The payments that were made to such countries were a flagrant form of corruption - they were rarely considered for honesty, transparency or accountability, and they encouraged a ready acceptance that corruption was

unimportant if it was covered by political and strategic geo-political interest. The fact that the leaders of so many of the countries helped by these payments used the money for their own interests and that so little of it was used for the development of the people in that country was ignored and considered immaterial. As Frank Vogl has said in 'Waging war on corruption'[13]:

"Throughout the Cold War the competition to secure the support of poorer nations prompted lavish payments by Moscow and Washington to leaders across the South. Western powers knew, for example, about the massive looting of public funds by President Mobutu in Zaire, but they never sought to confront him - he was seen as a valuable Cold War 'friend'."

The pattern was established of rich superpowers providing astonishing amounts of money to countries in the South which would declare themselves as their allies, and the beneficiary countries doing little or nothing to check on how and for whom the money was used. Behaviour and practise of integrity was seen neither in those who supplied the funds, nor those who received them. Dramatically some countries changed their allegiances over time and became supported by either side of the Cold War – e.g. Egypt, Ethiopia and Somalia.

The influence of the Cold War on corruption

- Geo-political and strategic interest was considered by the two parties to the Cold War to override any concerns about corruption
- No recipients of Cold War largesse ever had to be accountable, except in strategic voting or in access to resources
- Loyalty to one side or another was managed expediently

We see a pattern emerging of countries practising corruption which initially has been supported by a tradition of patronage, helped in this by the abuses of colonialism, encouraged by behaviour developed through centrally planned economies and communism, and topped off by excesses committed in the name of cultivating allies in the Cold War.

Exercise

Socio-political influences on corruption in your country

In the plenary group choose which of the three socio-political movements is most relevant to your country (or the countries which are represented by the participants).

Once this is decided, divide the participants into three or four groups and ask them to discuss what contribution the socio-political movement they have chosen has made to the existence of corruption in their country. Ask for specific examples of corruption in today's world which they think came from this inheritance.

After 30 minutes discussion, bring them together for a sharing in plenary and seek a consensus position.

---

[13]frankvogl.wordpress.com

Chapter 5

The growth of the multi-nationals, election financing, and international aid

Lawrence Cockcroft's book, "Global Corruption - Money, power and ethics in the modern world"[14] is a very powerful guide to the ways in which these three topics have led to a growth of corruption. We have paraphrased his book, with his permission, regarding money, power and ethics below:

Multi-nationals

Four types of corporate behaviour indicate the areas in which some companies clearly have been, or still are, drivers of the process of corruption:

1. 'Market development': i.e. bribery as a means to secure orders of huge value - often in the construction, defence, and power generation areas. Companies concerned have maintained a series of corrupt and clandestine payments initially to get, and secondarily to preserve, their monopoly of the market.

2. Income for management: i.e. where the financial interests of the management or perhaps the Board become divorced from those of the shareholders and corruptly acquire income for their own benefit.

3. Transfer pricing (also called 'mispricing'): i.e. where goods are undervalued in an exporting country when invoiced to a buyer in either an importing country or a tax haven. The prices used for pro-forma purposes may be less than 50% of the real market prices.

4. Accessing illegally traded products: i.e. buying illegal resources, such as teak wood from defined reserves or oil from pipelines which have been tapped, and then selling it as a legitimate export.

The contribution multi-nationals have made to corruption

- Bribery to secure market share
- Revenue generation for the Board or management separate from the company
- Transfer pricing (or mispricing)
- Trading in illegal products

Election financing

Raising funds for political parties in high income countries so that they can win elections has long been permeated by corruption. The present growth in countries using democratic standards linked to the lack of models for the funding of democratic practices has made this the largest single user of corrupt funds. The need for 'political finance' broadly defined is probably the largest single driver of large scale corruption. Since so few political parties have a large enough paying membership to contribute enough for electoral activities, and few countries support party finances from the national budget, such funds have to be sought from 'supporters' (who are actually more like investors since they expect to be rewarded for their support). This need for a structure of support, which is desired both by the political parties who require the financing for their campaigns and by businesses who hope to gain various kinds of advantage (often tax or legal access) as a result of their contributions, based upon corrupt payments has been accepted so widely that it is rarely questioned.

In Italy, until recently, all large contracts financed by public funds had a levy included which was used for funding the political party of the government of the time; in Japan political parties 'sold' political positions to supporters' clubs, took money from the criminal gangs called *yakuza* against agreements not to persecute them, and invested in overpriced projects in rural areas where the extra income went to supporters. In India Tarun Das, former Director General of the Confederation of Indian Industry is quoted by Lawrence Cockcroft as saying:

"When an individual businessman donates to politicians, he expects some *quid pro quo* for his enterprise."[15]

Museveni in Uganda paid USD $200 million to 10 million voters to get re-elected and paid for this by transfer pricing of 14 fighter planes purchased from Russia[16]. The scale is enormous and the prevalence very wide indeed. Rarely do individuals make political contributions in the interests of policies that aim to benefit the entire nation.

The contribution of election financing to corruption

- Very many countries keen to show that they are democratic
- Very few models of honest election financing anywhere in the world
- Willing seller (business), willing buyer (political party)
- Extremely prevalent all over the world
- Great possibility of financing from criminal enterprises

International aid

By far the majority of the aid that flows into the developing world is given to the governments of these countries. Many people would say that it is the governments of these countries that are the ones most likely to misuse the aid that they are given because the governance structures and systems of the countries are not honest, accountable and transparent. Some aid is given to non-government organisations, but it is very small in comparison. In the past, substantial amounts of aid were 'swallowed' by people who were not the intended beneficiaries of such aid, and those responsible for the aid would not investigate this[17].

[14]www.upenn.edu/pennpress/book/14360.htm

[15]www.laurencecockcroft.co.uk/book/Ibid. p 122-123

[16]www.theguardian.com/world/2011/feb/20/ugandan-leader-wins-presidential-election

[17]Faaland, Just. 'Does Foreign Aid Reach the Intended Beneficiaries?'. Issue 139 of DERAP publications, Chr. Michelsens Institutt. Digitised 2009

The arguments advanced were that to do so would be considered 'political' and an invasion of a country's 'sovereignty', because once the aid was received, it belonged to the country concerned and they were trusted to use it correctly. Many aid receiving countries have requested contributions towards budgetary aid (i.e. contributions to the general budget) rather than specific or programme/project aid. Even leaving on one side the egregious corruption of election financing or multinational corruption, the feeling of many people concerned with international development was that even aid with a clear and clean purpose, as for instance to help those suffering with AIDS, if it was channelled through the government, was likely to be diverted by people for whom it was not intended - and many examples of such diversion and corruption have been documented.

Some have gone as far as to say that all aid in the form of grants through government is counter-productive, and development should be handled through loans from the private sector. Time and again, says Frank Vogl,[18] aid agencies have been complicit agents of the growth of government, and have failed to look carefully enough at how Government spends their aid money.

The contribution of international aid to corruption

- Most international aid has been given to governments. Depending on their honesty, the aid has not always been used for what it was intended.

- Donor countries until recently have considered that once given, such aid was part of the national sovereignty, and countries should be trusted to spend it properly.

- Contributions to national budgets have encouraged corruption because of the difficulty of tracking their use in countries with poor financial reporting and audit capacity

---

Exercise

Money, power and ethics: what have they contributed to corruption?

In the plenary group choose which of the three topics is most relevant to your country (or the countries which are represented by the class).

Once this is decided, divide the participants into three or four groups and ask them to discuss what contribution the topic they have chosen has made to the existence of corruption in their country.

Ask for specific examples of corruption in their country which they think came from these topics, and discuss whether these examples have produced a point of view or a mind set about corruption in their country.

After 30 minutes' discussion, bring them together for a sharing in plenary and seek a consensus position.

Chapter 6
Characterising present day corruption

We have looked at how corruption has interacted with the modern state, and we have looked at institutions that have added complexity and severity to corruption, and embedded it more deeply into the lives of citizens. Before we move onto taking the positive view of how we can build integrity as the way to keep our head above the muddy waters of corruption, we need to take a scan of corruption as it is seen by a citizen.

We need to look at petty corruption, grand corruption, state capture, and links between government and business.[19]

Administrative, or "petty" corruption

The most common kind of corruption, well known to all who live in corrupt countries, north and south, east and west, is administrative corruption – payments made to influence the administration of existing rules and regulations. "Petty corruption" (the term was created along the analogy of "petty crime" by George Moody-Stuart of Transparency International UK) is, as described by Inge Amundsen of The Christian Michelson Institute (Norway), as:

"... corruption in the public administration, at the implementation end of politics. Petty corruption has also been called "low level" or "street level" to name the kind of corruption that citizens will experience daily, at times, in their encounter with public administration and services like hospitals, schools, local licensing authorities, police, taxing authorities and so on. (...) The consequences of bureaucratic or petty corruption are severe. Bureaucratic corruption is a predicament to private business as well as to any citizen's everyday dealings with state officials. It excludes many people from public services and increases their cost; it obstructs, impedes and skews public spending, it makes markets irrational, and it makes the public administration and the entire political system illegitimate in the eyes of the population."[20]

The word "petty", if we are not careful, may lead us to undervalue this kind of bureaucratic corruption. There are three important elements to bureaucratic corruption which make it very important, however:

- The sums of money, even when paid in small amounts for bureaucratic corruption, can be enormous when aggregated. Shakedowns, by the police or by those operating protection rackets with the knowledge of the police, on small shop-keepers, on taxi drivers, on trucks taking produce to market can mount up into very large sums of money. When the added levies on various forms of licenses are added to this, the amounts are seriously significant. While one shop-keeper has paid perhaps only USD 50 cents a day, the take home from all shop-keepers in one town in one month, will likely be larger than the salaries of the police stationed in that town. When this is multiplied by all the towns, and all the months in a year, we are dealing with a shadow economy that is very large indeed.

- The poor are the worst hit by bureaucratic corruption. If the ordinary cost of getting your child into school or getting attention in the clinic, or getting connected to a water pipe is difficult for a poor person to pay, it then becomes impossible for a poor person to pay when the cost has been jacked up illegally. The end result, then, is that the child does not get into school, the sick person is untreated, and the family continues to collect open dirty water. It is not a question for most poor people of clever budgeting, or of deciding between different options – poor people have no extra disposable income when illegitimate fees are imposed, and simply cannot pay.

- Bureaucratic corruption does not stop at the person who is paid off. Illegal and illegitimate levies often support the power structures up the chain of command in a "pyramid of upward extraction"[21]. Thus not only does the individual policeman receive income, but also a proportion of what he receives is passed on to his boss, and his boss, and his boss. This has a number of results: firstly this means that the income of senior staff in the government bureaucracy is augmented by petty corruption, and that any cancellation of that income will be strongly resisted by powerful people; secondly such income may sometimes be used to augment the budget of the institution over and above what it receives from the treasury – and so the cancellation of such income would mean that such income had to be found elsewhere; thirdly the collection of such petty levies is not simply at the discretion of the individual policeman, or tax collector, or clinic worker, or school-teacher – that person may have strong pressures on them from their bosses to collect such fees. The collection of such fees may be a necessary part of what is expected from anyone who holds that job. The cycle may have started long ago with the lower level official "buying" his job from his boss, with the understanding that a portion of the illegal fees is siphoned upwards, and that this is not to be disclosed.

Petty corruption thus is not so petty when we consider the huge amounts that are manipulated in aggregate, the way that it underpins the effective take-home pay of government officials, the way that it establishes a patronage network in which job security rests on a willingness to continue corrupt practices, and to keep quiet about them.

The UNDP's CONTACT Guidelines[22] suggest a list of corruption possibilities:

---

[19]A substantial part of this chapter comes from: www.richardholloway.org/wp-content/uploads/2014/04/NGO-Corruption-Fighters-Resource-Book.-Impact-pdf.pdf; by Richard Holloway (IMPACT).

[20]Amundsen, Inge. "Corruption - definitions and concepts" Chr. Michelson Institute 2000

[21]*Ibid.*

[22]CONTACT - Country Assessment in Accountability and Transparency. These are self-assessment guidelines to evaluate the financial accountability and transparency of a recipient country.

"Corruption is commonly found in the following areas of the public sector: public procurement, customs, taxation, police (especially traffic police), immigration, licenses and permits (including driver's licenses), provision of services where there is a state owned monopoly (e.g. telephone connections), construction permits and land zoning, and government appointments."

This is only the tip of the iceberg, however; there are many who will have been touched by the larger and greedier practitioners of corruption. Activists will recognise similar examples from their own countries.

However, there is another and stranger side to administrative corruption, which is the tolerant and even humorous way in which it is regarded. In every country there are likely to be idioms, phrases, colloquialisms for small scale bribery which suggest that they are not taken so seriously, or are an inescapable fact of life and that this is accepted. One aspect of this is that in a country that is endemically corrupt, a person who is forced to pay a bribe may also be a person who is demanding a bribe. He/she would not like to see the system eradicated because

that would harm his/her income. For example, a ticket collector on a bus taxi may have to pay a regular bribe to a policeman to ignore traffic violations, but will also impose illegal surcharges on tickets or request tips to allow extra baggage. It is unlikely that such a person will feel shame about what he/she is doing since (a) it is so common, and (b) those affected are probably guilty of doing something similar themselves. There is little likelihood that exposure would be a powerful deterrent.

Administrative or "petty" corruption

- Small individual amounts but large sums of money when aggregated
- The poor are worst affected
- The "pyramid of upward extortion"

Examples of popular idioms for petty corruption are:

UK:	a little drink
China:	tea money or coffee money
Malaysia:	a poke in the ribs
Kenya:	a small thing

✏️ Exercise
Discussion

Quickly go around the room and ask what are the idiomatic phrases used in the participants' countries of experiences.

Then ask if these phrases are used jocularly or seriously.

Grand corruption

The term "grand corruption" was also created by George Moody-Stuart of Transparency International UK and is, in the words of Inge Amundsen:

"Political or grand corruption takes place at the highest levels of political authority. It is when the politicians and political decision makers, who are entitled to formulate, establish, and implement the laws in the name of the people are themselves corrupt. (...) Political decision makers use the political power that they are armed with to sustain their power, status and wealth. It is when policy formulation and legislation is tailored to benefit politicians and legislators."[23]

The important thing about political or grand corruption is that, in many cases, no-one is breaking the law - what they are doing is controlling or making the law for their own purposes. It reveals therefore a breakdown in the usual checks and balances of a good governance system. Political or grand corruption allows an individual or a group of individuals to formulate and pass laws to their own advantage without any system of checks and balances to impede them. It also allows them to disregard laws that might exist. "Conflict of interest" as an important principle, is therefore disregarded. Political corruption can skew and distort political institutions, the rules of procedure, and the ways in which decisions are made.

It results in very far reaching problems for the economies of most countries because what would normally be decisions that are made to benefit the state are made to benefit an individual or group of individuals. The cost of a particular commodity is increased because an individual is given the monopoly rights to import it, or trade in it, or export it. Extra levies are legally enforced on important products which, of course, change the market situation of that product.

In many cases corruption is assumed to be a result of people breaking the law or going outside the law to carry out their corrupt practices. Political or grand corruption is when those in charge of making laws and policies are themselves corrupt and are able to legally enforce laws and policies which are in their own narrow interests and against the interests of the state and its citizens. This is not necessarily known by the citizens - the costs of products and services are accepted as a fact of life without realising that specific decisions have been made by self-interested individuals. This means that any popular attempts to limit such corruption may have to start with educating the public about the processes by which the injurious laws and policies are made.

It also means that the corruption goes to the centre of the political establishment. We are not talking about a few powerful people doing something which they know they should not do, and who disobey accepted standards and rules. We are dealing with something systematic and intentional. As Inge Amundsen says:

"Widespread and systematic political corruption may be a basic mode of operation of certain regimes. (...) corruption is one of the mechanisms through which authoritarian power holders enrich themselves (...) it is a deliberately applied practice."[24]

It can go to such lengths, as in Zaire under Mobuto, as to question the usually considered basis for a state to exist:

"The state's (Zaire's) only apparent function was the systematic exploitation of its people and resources, while it offered nothing in return, not even security; instead the state itself and its agents were the principal sources of insecurity."[25]

We are used to a state whose minimal functions are to preserve boundaries, uphold public order and security, collect taxes, and provide services to the people. Depending on the nature of the leadership we can find states that are as extreme as Zaire under Mobuto through to states in which a relatively few politically well-connected and influential individuals are able to extract from the state more than their fair share through controlling the ways in which laws and policies are made.

Transparency International has recently provided a league table of the really large offenders in this realm of grand corruption. It estimates the amount stolen from the state by a number of ex-Presidents:[26]

Mohammed Suharto *President of Indonesia 1967-98*	USD$ 5-10 billion
Ferdinand Marcos *President of the Philippines 1965-97*	USD$ 5 billion
Sani Abacha *President of Nigeria 1993-98*	USD$ 2-5 billion
Slobodan Milosevic *President of Serbia/Yugoslavia 1989-00*	USD$ 1 billion
Jean Claude Duvalier *President of Haiti 1971-86*	USD$ 300-800m
Alberto Fujimori *President of Peru 1990-00*	USD$ 600m
Pavlo Lazarenko *Prime Minister of Ukraine 1996-97*	USD$ 114-200m
Arnaldo Aleman *President of Nicaragua 1997-02*	USD$ 100m
Joseph Estrada *President of the Philippines 1998-01*	USD$ 78-80m

This league table is only dealing with political corruption - it says nothing about the large amounts stolen in the commercial and business field in countries where the pattern for corrupt life has been set by the President. It does not take much imagination to realise that the amounts of money stolen in grand corruption are significant segments of a nation's economy. It also requires

[23]Amundsen. Op. *cit*.
[24]*Ibid.*
[25]*Ibid.*
[26]Global Corruption Report 2004 - Transparency International

only a small exercise of the imagination to think what those countries, and the poor in those countries, would be like if that money had been used for the public good.

The losers in these massive games of theft are not only the state treasury which loses income, but also the ability of the state to try and prevent such hijacking of the national wealth in the future. When private citizens, commercial businesses (local and international) and various special interest groups (formal and informal, modern and traditional) are able to buy national and public resources cheaply, to buy exceptions, privileges, immunity and impunity through the use of kickbacks and mafia methods vis-à-vis public officials, the state will not only be the poorer, but it will also be undermined, and either unwilling or unable to reform itself.

The effect of corruption is that the state is rendered incapacitated and politically impotent, while greedy people are elevated. The capacity of the state to collect taxes and render public services is eroded, as well as its ability to transform the society and the economy according to political priorities, and to execute rational development policies. There is no point in putting forward a political manifesto if the purpose of the state is simply to provide one group or another with power and the income that comes with that power.

Grand or political corruption

- Not breaking the law, but making corrupt laws
- Decisions usually made to benefit the state and its citizens, now only benefit individuals
- This is the modus operandi of endemically corrupt countries
- The State is incapacitated and rendered un-important

State capture

"State capture" is a term that has been coined by the World Bank in its book "Anti-corruption in Transition - a contribution to the policy debate"[27] and it refers to situations in which commercial interests have become so powerful vis-à-vis the state they are able to make sure laws and policies are tailored to fit their interests. The state is no longer in charge of itself, but it has become subordinate to the interests of commercial concerns.

The World Bank, while suggesting that commercial concerns are the main actors in capturing the state, is well aware that others may also work in the same way:

"Who can capture the state? Often the "captors" are individuals, groups, or firms from the private sector seeking rents or other advantages from the state. Yet any actors with access to public officials and the capacity to provide private benefits to these officials in order to obtain advantages in the governing process can be seen as potential captors. Indeed public officials themselves can capture the state if they abuse their authority to help institutions and laws primarily to further their own private financial interests at the expense of the broader public interest.

Different forms of state capture, as distinguished by different types of captors (e.g. private firms, politicians, ethnic groups, the military). and different state institutions involved (e.g. the executive branch, the legislature, the judiciary, or regulatory bodies) will undoubtedly have their own unique dynamics and consequences. Therefore state capture itself should be unbundled to reveal a wide range of different relationships."[28]

The Bank's explanation leaves out one group which is increasingly interested in capturing power for itself by perverting the processes of state decision making – and that is organised crime. Organised crime can easily be in working relations with businesses, ethnic groups, businesses, and the other actors mentioned, but at the end of the day they want to pervert the state to enable them to make money, to establish control of lucrative sectors for themselves alone, and to make sure that they are immune from prosecution. Harald Mathisen of the Christopher Michelson Institute in Norway has examined this in Albania, for example:

"Unfortunately it gets worse as grand corruption and organised crime are closely interconnected. Some senior Socialist Party officials are involved in smuggling, dealing in contraband, large scale tax evasion, and land grabbing. (...) It is clear that the country has become a safe haven for criminals who enjoy total freedom to run their drug-smuggling, trafficking of prostitutes and children, and other activities. A part of the enormous revenue that is generated ends up in the pockets of state officials and politicians".[29]

If there are otherwise legitimate groups (e.g. political parties, ethnic groups, commercial companies) who are bent on over-ruling the usual rules of the state, they are very likely to need enforcers of one kind or another to make sure that their anti-social activities, while being backed by the dubious legality of state capture, are carried out on the ground - and this will often be against the wishes of the local people. Enforcing policies and laws which have been produced through state capture and which are in the interests of a few (and not in the interests of the population as a whole) is a place where commercial concerns and criminal organisations meet and find common ground. A major arena for this collaboration between businesses and criminals will come with the exploitation of natural resources.

In some countries in which rules and regulations are absent (Mobuto's Zaire being the most extreme example), resource extraction companies will need local gangsters to suppress the local population, and make sure that there is no opposition to the exploitation of such resources for the interests of a few. In countries where regulations have been instigated, or where international export and purchasing requires compliance with international standards (e.g. diamonds in West Africa which has recently tightened up its systems following the exposure of "conflict diamonds"), local business enterprises will need organised criminal gangs to help them with the smuggling of goods out of the

[27]"Anti-corruption in Transition - a contribution to the policy debate". World Bank, Washington USA. 2000
[28]*Ibid*.
[29]"Donor Roles in Face of Endemic Corruption - Albania in the policy debate", Harald Mathisen, Chr. Michelson Institute. 2003

country (or their legitimate export out of the country, but with counterfeit documents). Local businesses (sometimes fronting for international companies) may be involved in extracting a country's natural resources of oil, minerals, or timber. They may also be involved in the movement of money connected to these resources in and out of the country. In many cases criminal gangs see opportunities to provide such services, but with "quid pro quos" that will help them with their other criminal activities - like arms smuggling, human trafficking, drugs smuggling, and money laundering.

Unscrupulous people are expanding the frontiers of corruption - they are selling a variety of services that previously were not commonly traded (like the political leadership of provinces, or utility companies), they are stealing huge amounts of development aid (particularly when that aid is budgetary assistance rather than aid for specific projects or programmes), and they are stitching up packages that mean corrupt payments become legitimised (e.g. retainers for parliamentarians and journalists, levies for non-existent services).

State capture

Who can capture the State?

- Private firms
- Politicians
- Ethnic groups
- The military
- Organised crime (particularly that based on narcotics)

In short order (and to different degrees in different countries) the following institutions became prey to those who have seen corruption as a means to enrich themselves:

1. **State assets and privatisation** - Large amounts of state assets have been sold off at unrealistic prices to those who could control, influence, or intimidate the privatisation process. In some cases these were bought by business people who intended to make the assets productive, but in many cases they were acquired by people who were interested in stripping the assets, selling them off piecemeal, and maximising their income from such possessions. This refers to productive assets such as mines or factories, but also to utilities (electricity, water, telephones, waste collection) and services (such as banking, insurance, pensions).

2. **The Legislature** - Whereas the representative and law making institutions had previously been largely rubber stamp organisations agreeing to the instructions of the Executive (often the Party), there were now real elections and real independence in the legislature. To unscrupulous people this was seen not as the opportunity for reform, but the opportunity to carve out income streams for themselves. Parliamentarians could pass laws, in conjunction with the Executive, which would make legal the skewed and irrational use of resources, or they could demand payments from the executive not to block the passage of such laws that allowed this to happen. In some cases this was allied to decentralization so that national opportunities for parliamentarians to carve out income streams for themselves were replicated at provincial or district levels.

3. **The Executive** - The autocratic decisions which were an accepted part of a one-party state now became modified into using and bending the new system to institutionalise corrupt practices to benefit those in power. People in power went through the overt forms of legal and accepted decision making, but made sure that they used their political power to result in decisions beneficial to them and their allies. The Executive also controlled the police which might be a block to some of their corrupt practices, but could also be recruited to join them, and the armed forces which might well be allies in some of the larger corruption enterprises.

4. **Political parties** - As soon as it was clear that political parties were the key to controlling the legislature, and that the legislature was in turn key to controlling the passing of selective legislation that could ensure sustainable personal income, corrupt practices for the funding of political parties and their campaigning for office became common.

5. **The Judiciary** - Depending on the tradition in the country of independence of the judiciary, the possibilities opened up of the judiciary being bribed or threatened to make judgements that were helpful to the regime, or to avoid interfering in cases which would be unhelpful to the regime. This is separate from judges who were entrepreneurial in their own right.

The targets for State capture

- State assets and privatisation
- The Legislature
- The Executive
- The Judiciary

Links between government and business

While we have been mainly looking at corruption in government, it is also important to appreciate the level of corruption in business, and in the relations between government and business. The corruption possibilities between government and business exist at the following levels:

- When governments purchase goods or services from the private sector, firms may actively bribe government officials in order to get the contract, or government officials may actively solicit bribes for the same reason. The bribery may be simply to override the inability of the firm to produce goods and services that are demonstrably better or cheaper than others, but it may also involve efforts to deflect or cancel conditions in the purchase which are onerous to the vendor - such as meeting environmental conditions, or specific requirements of inspection for health or safety factors. In such cases laws or other kinds of regulations exist, and both the firm and government official conspire to get around the law, and the losers are the public when the bridges fall down, or the school buildings collapse.

- When private firms seek to invest in a country, they may actively bribe government officials to offer them advantageous terms in respect of such factors as local taxes, compliance with local health, safety and environmental laws, monopoly or exclusive positions, the use of government security personnel to control dissent amongst workers or the local population, land grabbing, and the payment of further bribes to others. Government officials may also be the active party in soliciting bribes for the same reasons. The firm's rationale is to get the best bargain that it can - so that it can sustainably maximise the profits that it will make from the investment - and this involves trying to get all the various complicating factors ironed out in advance so that the firm can plan efficiently and effectively. Both local firms and international firms face the same range of problems that may inhibit their investments, and both have the same desire to minimise uncertainty and maximise production. Again in these cases laws usually exist, and corruption is used to get around these laws.

- Private firms also seek to influence the creation or the implementation of the same kinds of laws - such as the payment of local taxes, the observance of laws to control over-exploitation, environmental safety regulations or minimum wages. If the laws can be passed which allow the firms to do what they want, then they do not have to worry about the need to bend those laws.

- A particular version of "state capture" is "state ownership" where the commercial firm in question is a State Owned Enterprise (SOE). Instead of having to please stockholders, or having to maximise profits to create greatest income for owners, an SOE has to please the government which is its owner - and if the government is corrupt, it is very likely that the income to the government will be diverted for corrupt purposes. It is rare to find an SOE which is allowed to manage its operation purely along business lines: nearly always governments interfere in order to support particular features of the business that are politically advantageous to them. In many cases SOEs were never intended to be primarily commercial businesses - they are intended to be "cash cows" that can be sustainably milked to provide income which the regime in power at the time can use for its own purposes.

- Private firms seek to buy knowledge and information that is restricted through bribing those who have access to such information. Information like the route of a planned road, the formula for an industrial process, the pricing structure of a competitor's product, or the details of a planned law - all will provide an advantage for themselves which is not available legally. Another angle is to offer preferential treatment to selected businesses which are prepared to pay for the service – over and above the usual charges (see the adjacent example of electricity supplies from India).

Firms want to reduce uncertainty, they want to clarify in advance the various factors of production so that they can make their investment plans, build their plant, contract with their suppliers and with their distributors, and start to do business. Where firms think that this is best achieved by bribing those who may be able to increase uncertainty, they will do so, unless there are strong factors to stop them. These may be solid and immovable laws which are policed and cannot easily be avoided, or they may be strong popular objections which are so politically charged that governments will think twice about attempting to override them. Such popular issues may be objections to citing of factories, limits to extraction, environmental pollution, minimum wages and many others.

In the absence of clear-cut, well-maintained, and well-policed rules and regulations, the firm will always be forced to make judgement calls about how much bribery and corruption is going to be needed to reduce the uncertainties. Firms have to consider the risks - if they pay government security forces to control dissent in the workforce, are such forces actually able to do so, and at what cost? If they agree to certain private levies and secret payments to certain individuals, what happens when such people are replaced? If corrupt payments are agreed, how vulnerable is the firm if higher corrupt payments are demanded subsequently, particularly once the firm is in production and is constrained by the need to deliver against orders and contracts?

In nearly all the cases where a private firm is dealing with the government, and where the government does indeed control the factors of production, the firm is to a larger or smaller degree dependant on gate keepers at different levels of its operation. Depending on the size of the income to be realised by the firm, it may try to bribe the top officials and persuade them to supervise and control all the gate keeping functions down to the field level, or it may simply try to bribe the particular officials that control particular aspects of gate keeping, like the police who man roadblocks and demand illegal levies.

Corruption planning and corruption management is an important feature of the way that a firm conducts its

business if it is working in a situation where the laws and regulations are weak, in which corrupt practices are a regular feature of commercial life, and in which the risk of detection or prosecution (both briber and bribed) is very low.

Those speaking for the business sectors internationally frequently claim that corruption is not their preferred way of doing business, and that a tighter, cleaner environment would be welcomed by them. They are, however, beset by the problem beloved of game theorists - the Prisoners' Dilemma. If a particular business is the only one who does not bribe, it is likely that it will lose out in an environment of bribing competitors. The only way it will be benefited is if all businesses agree not to bribe, and this is something that is very difficult to set up. Many proclaim their desire to be clean, but cannot see how to do this without negatively affecting their profits. All the official rhetoric from the side of Business (as for instance, the International Chambers of Commerce) stress that the business world would prefer less corruption, but in the absence of strong solidarity amongst business competitors (a difficult concept), we find continuing high rates of corruption. Even Singapore, renowned for its integrity within its own borders, closes its eyes when its own businesses are operating offshore.[30]

People often hold up the US's Foreign Corrupt Practices Act (US FCPA) of 1976 as an example of what can be done to control corruption by businesses , and its successor legislation in the OECD, the Convention on Combating Bribery of Foreign Officials in International Business Transactions (CBITFOIBT). The US FCPA forbids bribery by US owned businesses, the CBIFOIBT forbids bribery by OECD country owned businesses - there are considerably fewer examples of well policed legislation covering bribery in indigenous businesses.[31]

Links between government and business

- Avoiding onerous conditions for the business
- Seeking advantageous conditions for the business
- The particular case of 'State ownership'
- Corruption planning corruption management - new skills for business

---

Exercise
Discussion

Divide the learners into 4 groups, and ask each group to discuss: (30 minutes – preferably use flip charts)

a. What examples of state corruption are you aware of? Please describe them. What was the public reaction? Are perpetrators concerned about exposure?

b. What forms of administrative corruption are you regularly faced with? Please describe them. What is your personal feeling about them – are they justified or completely unacceptable? What do you consider the opinions of other members of the public? Are perpetrators concerned about exposure?

c. What forms of "the pyramid of upward extortion" do you know about? How do they work? Who/What is the final beneficiary? Are the perpetrators concerned about exposure?

Bring the students back into Plenary and ask each group to share their findings with the others, one after the other.

---

[30]As of 2015, Singapore, while very clean internally, accepts corrupt funds into its banks from all around South East Asia, and handles illegal buying and selling of timber from and to Indonesia, Malaysia, Thailand and China.

[31]It is also interesting to note that the FCPA does not outlaw facilitation payments. Many US businesses (and the US government) retain "expediters" on their employee roster. Such people are given the money to spend on facilitation payments (some might consider this "petty corruption") but it is not seen to come from the business.

Chapter 7

Breaking the taboo – Transparency International and the World Bank

As we have shown, the excesses of corruption building up to the 1990s from multinationals, election financing, and international aid, and derived from colonialism, communism, and the Cold War were becoming so noticeable that a number of people were feeling that the subject should no longer be one that was treated with "hands-off", but be one in which much closer inspection and monitoring should be applied, particularly from a poverty perspective - to see how corruption affected the poor. While there were other interested parties, the first organisation to break the taboo, and say publicly and loudly that corruption need to be (a) recognised and (b) addressed, was the organisation Transparency International (TI), that was started by a small group of like-minded people who were originally concerned with the World Bank - in particular a German national called Peter Eigen who by 1990 had concluded that corruption was a bigger threat to development than any of the financial and structural constraints which were the Bank's main focus. Eigen began to explore the possibility of establishing an international NGO which could address corruption, just as Amnesty International addressed human rights.

By 1995 Transparency International had established a network of 20 national chapters around the world in rich and poor countries and had agreed a structure based in Germany in which the voting power of the national chapters from around the world elected the Board and the Chairperson. While Transparency International was started at a time when the odour of corruption was being smelt widely throughout the world, the idea of an organisation being able to do something about it was by no means universally accepted.

It was only in a major address at the World Bank's Annual General Meeting in 1996, that Jim Wolfensen, the President of the World Bank at that time recognised publicly that corruption was a basic impediment to economic growth and said:

"We also need to address transparency, accountability, and institutional capacity. And let's face it - we need to deal with the cancer of corruption. Let me emphasise that the Bank group will not tolerate corruption in the programmes that we support, and we are taking steps to ensure that our own activities continue to meet the highest steps of probity."

Once the World Bank had openly called for work to attack corruption, a number of other agencies and organisations joined in. They made funds available for the purpose of limiting corruption, and they brought together a range of new organisations to make joint declarations about the ways that they wanted to deal with corruption. These were important milestones.

It is interesting to note that there was an important move to combat extortion in 1977, but that interest lapsed after that time until rekindled in the 1990s.

1977: International Chamber of Commerce Recommendations to combat extortion and bribery passed

1977: US Foreign Corrupt Practices Act (Amendments passed in 1988 and 1998)

However from the 90s until today there has been a steady stream of organisations and agencies pledging themselves to combat corruption:

1993: Transparency International, Established in Berlin

1995: Treaty on the Protection of EU Financial interests

1995: Policy statement by the International Federation of Consultant Engineers

1996: World Bank Annual General Meeting at which the President (Jim Wolfensen) committed the Bank to fighting the 'cancer of corruption'

1996: Inter-American Convention against Corruption approved by the Organization of American States (OAS)

1996: UN General Assembly Declaration against corruption in International commercial transactions

1997: UN General Assembly resolution urges members to ratify international instruments against corruption

1997: Revised IMF guidelines adopted

1997: OECD Anti-bribery Convention signed

1999: Criminal law and Civil Law conventions passed by the Council of Europe

1999: Group of state against corruption (GRECO of European Council) comes into effect

1999: OECD convention comes into effect

2000: Nyanga Declaration calling on Organization of African States (OAS) to work on repatriation of stolen assets

2000: Wolsberg principles on money laundering and corruption adopted by major banks

2003: Introduction of judicial Integrity Standard by group of chief justices, endorsed by World Court.

2003: UN Anti-corruption convention signed.

The majority of these resolutions and determinations were based upon things that had to be done to stop or limit corruption. There was considerable attention to the passing of laws and regulations to prevent corruption or to punish those who were corrupt. There was considerable attention to setting up various kinds of Anti-Corruption Commissions which would target the whole subject of corruption.

Many countries, once the World Bank had broken the taboo, became interested in cleaning up their institutions from their own governments to their businesses and their elections, and so set up a range of new institutions and organisations for these tasks. The "corruption business" became large and well supported, but in many cases had less impact than was hoped. It was found that in many cases states were predicated on a variety of corrupt practices. We have mentioned elections in Italy and Japan, and businesses became ever more skilled at disguising their ways of working so that they did not look like corruption. To clean up corruption in many cases required the cleaning up of nation states - their internal institutions, their foreign policies, their strategic and geo-political postures - and there were not so many states that were prepared to do this.

As Vito Tanzi said:

"I have also argued that corruption is closely linked with the way that governments conduct their affairs in modern societies. Therefore the growth of corruption is probably linked with the growth of some of the activities of the government in the economy. It is unlikely that corruption can be substantially reduced without modifying the ways that governments operate. The fight against corruption is thus, intimately linked with the reform of the state."[32]

At the same time as Transparency International was blazing a trail for (a) recognising, and (b) addressing the effects of corruption, there were some people at Transparency International, and subsequently at Integrity Action, who were interested in moving the debate from policy level reform at a state level to practical approaches that worked with people and communities to bring reform so that they eschewed corruption, and worked to develop institutions of integrity in the state, which would promote what needed to be done well, rather than what had to be stopped.

Exercise
Discussion

In plenary and with the use of a flip chart and one person to facilitate, ask the participants to identify the organisations and institutions in their country which have taken a public position about combating corruption, and when they were started.

Try to fill out a chart like this

Figure 1: Organisations involved in combating corruption

Name	Start date	Government/ Non-government	Activities	Successes to date	Reasons for success	Credibility (1-5)
A						
B						
C						
D						
E						

[32]Tanzi, *op. cit.*

Chapter 8

Looking at what can be done right, not just what is being done wrong – Integrity Systems

A substantial part of this chapter uses the words of Jeremy Pope's Transparency International Source Book 2000 as he describes what is meant by a National Integrity System. Jeremy Pope was one of the founders of Transparency International, and then subsequently one of the founders of Integrity Action (earlier called TIRI - Making Integrity Work). This chapter talks about National Integrity Systems, and the next chapter discusses Integrity Action's emphasis on working at the community level with the Community Integrity Building programme.

Jeremy Pope sets the scene by saying:

"While corruption might, at least in theory, be tamed in an autocratic and dictatorial manner using a "big stick", the inexorable decline into corruption and other abuses of power on the part of totalitarian administrations suggests that this can only be temporary. The promotion of the national integrity across the Board is crucial to any process of sustainable reform. (…)

Basically the task in developing countries and countries in transition, is to move away from a system which is essentially top down: one in which an autocratic ruling elite gives orders which are followed, to a greater or lesser degree, by those down the line. The approach is to move instead to a system of "horizontal accountability"; one in which power is dispersed, where none has a monopoly, and where each is separately accountable.(…)*

Under a system of "horizontal accountability", a "virtuous circle" is preferred: one in which each actor is both a watcher and is watched, is both a monitor and is monitored. A circle avoids, and at the same time answers the age old question: "Who shall guard the guards?"

Accountability mechanisms, when designed as part of a national effort to reduce corruption, comprise an integrity "system". This system of checks and balances is designed to achieve accountability between the various arms and agencies of government. The system manages conflicts of interests in the public sector, effectively disperses power, and limits situations in which conflicts of interest arise and have a negative impact on the common good. This involves accountability, transparency, prevention, and penalty.

Figure 2: The model of a National Integrity System
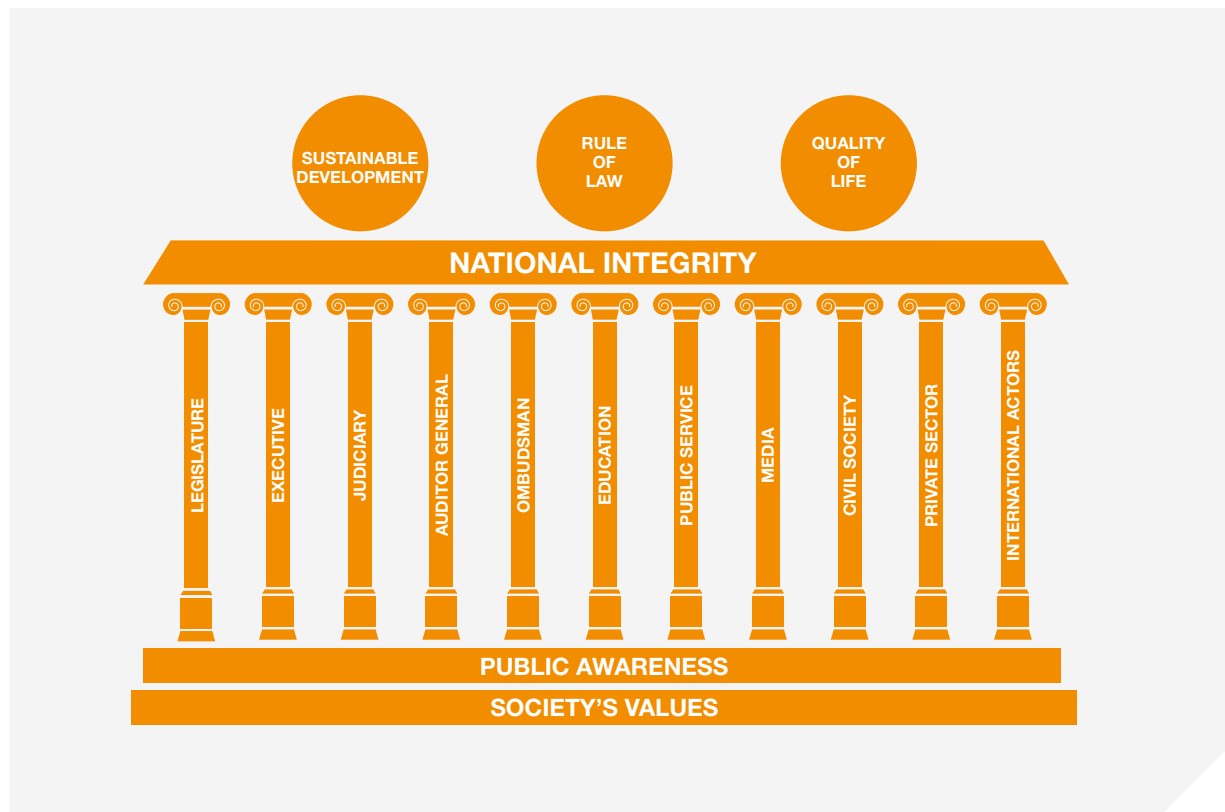
The National Integrity System is shown on the previous page as rather like a Greek temple: a temple with a roof - the nation's integrity, supported at either end by a series of pillars, each being an individual element of the National Integrity System. Down the length of the temple are the Institutional Pillars:

- Legislature
- Executive
- Judiciary
- Auditor General's office
- Ombudsman
- Watchdog Agencies (Public Accounts Committee, Anti-Corruption Agency, NGO watchdog agencies)
- Public Service
- Media
- Higher Education
- Civil Society
- Private Sector
- International Actors

Resting on the roof are three round balls: "Sustainable Development", "Rule of Law", and "Quality of Life". They are round balls to emphasise that it is crucial that the roof be kept level if these three round balls and the values they encompass are not going to fall off.

The "temple" itself is built on and sustained by foundations which comprise public awareness and society's values. If public awareness is high and values are strong, both will support the pillars which rest on them, giving them added strength. On the other hand, if the public is apathetic and not watchful, or if the values are widely lacking, then the foundations will be weak. The "pillars" will be empty and ineffectual, and lack the underpinning necessary if they are to safeguard the nation's integrity.

The pillars are interdependent, but may be of differing strengths. If one pillar weakens, an increasing load is thrown onto one or more of the others. If several pillars weaken, their load will ultimately tilt, so that the round balls ("sustainable development", "rule of law", and "quality of life") will roll off, crash to the ground while the edifice will collapse into chaos.

The actual pillars may and will vary from society to society. Some will be stronger, some will be weaker. But there will always be trade-offs to accommodate this. For instance, in Singapore, there is a comparative lack of press freedom, so the media pillar would be weak - but this is compensated for by an intrusive anti-corruption bureau (i.e. a strong Watchdog Agency pillar).

The National Integrity System approach unlocks a new form of diagnosis and potential cure for corruption. Instead of looking at separate institutions (e.g. the judiciary) or separate rules and practices (e.g. the criminal law) and then focusing on standalone reform programmes, we start to look at inter-relationships, inter-dependence, and combined effectiveness in a holistic approach. For example, what is the benefit of a sound and clean Judiciary ready to uphold the rule of law, if there is corruption in the police, investigators, prosecutors, or the legal profession? The Judges would simply not receive the cases they should hear. They would then sit in splendid isolation - honest, capable, yet able to achieve little.

The pillars are the instruments of potential integrity in a country: they may not be strong, they may be standing on weak foundations, but the format of the National Integrity System forces the observer to think about what can be done to encourage integrity in a country, rather than think about what corruption has taken place.

There is another organisation which takes very much the same approach - Global Integrity, based in the USA. Their global integrity approach, which supported them to produce global integrity reports, provides indicators for their analysis of governance and corruption. As Nathaniel Heller, their previous CEO, says:

"The Integrity Indicators are based on a simple but powerful concept. Rather than trying to measure actual corruption, considered impossible by experts, Global Integrity quantitatively assesses the opposite of corruption, that is, the access that citizens and businesses have to a country's government, their ability to monitor its behaviour, and their ability to seek redress and advocate for improved governance.

We unpack these concepts by looking not only at what laws or institutions are "on the books", but also by assessing their implementation and enforcement through indicators of staffing, budget support, political independence and citizen access to the most important anti-corruption mechanisms.(…)

The integrity scorecard for each country examines three concepts:

1. The existence of public integrity mechanisms, including laws and institutions, which promote public accountability, and limit corruption

2. The effectiveness of those mechanisms

3. The access that citizens have to those mechanisms

Students who follow the countries or territories researched every year not only have incisive knowledge about corruption in those countries, but also the avenues of integrity for citizens of those countries, and how they can make the integrity institutions work, and thus reduce corruption."[33]

In order to illustrate vividly what happens when integrity institutions are not functioning properly, and to get a clear idea of where attention needs to be directed, please see the "reality on the ground" in Figure 3.

Figure 3: The model of a National Integrity System - Realities on the ground
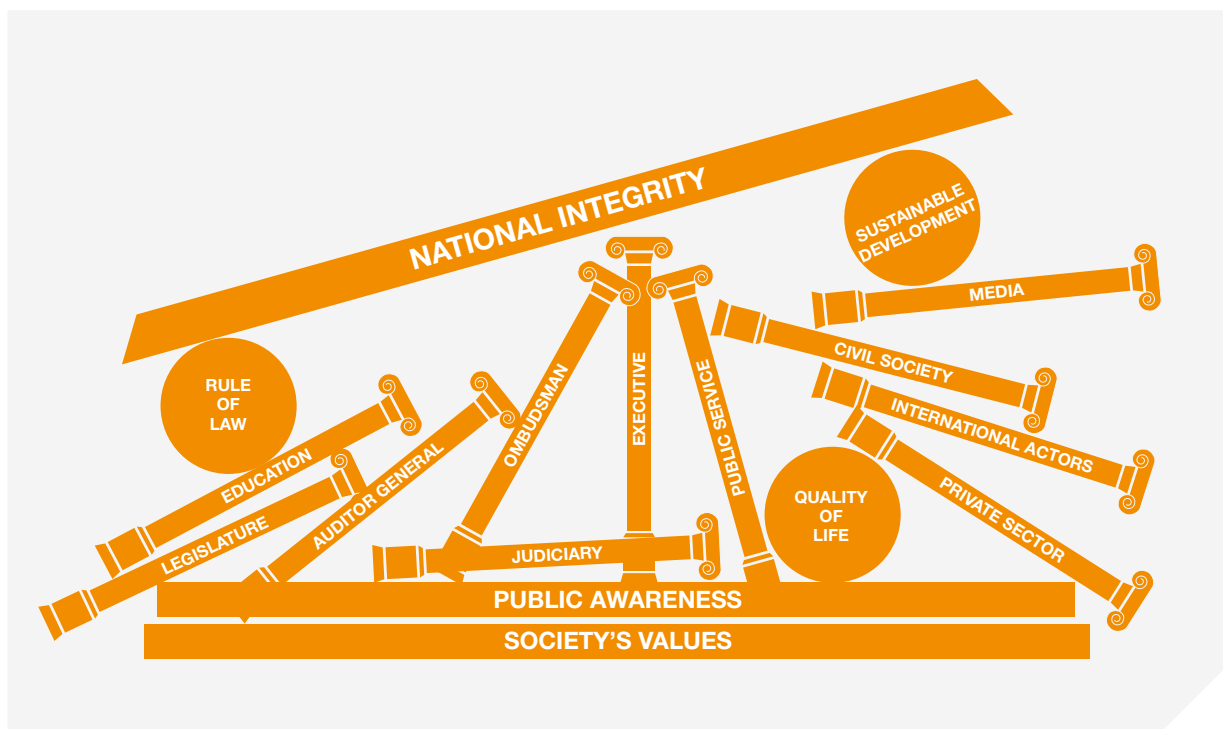
Exercise

Based on this diagram, what do you think has happened in this country?

Divide the participants into 3 or 4 groups, give them each a copy of this Figure, and a copy of the complete National Integrity System, and ask each group to describe what has happened, what is the present situation, and ask them to suggest some real life occurrences which may have resulted in this situation e.g. the Judiciary is very much under the Executive, and as a result the pillars of media, civil society, the private sector and international agencies are all leaning. Maybe the Executive cut the pay of judges who all went on a 'go slow', and do not do anything except what the Executive tells them to do.

Bring the results of the 3 or 4 groups together at the end and have each group present their ideas to the others. The participants as a whole must vote as to whether they think the explanation is likely.

Chapter 9

The growth of the anti-corruption movement

Following on from the concept of the national integrity system, Integrity Action has focused on how ordinary citizens, working together, can use integrity mechanisms to try and defeat corruption. When faced with a corruption problem, Integrity Action works with local Civil Society Organisations (CSOs) to try and find ways in which standards can be set and people urged to live up to those

standards - which, in turn will limit corruption, and in many cases turn corruption round.

To understand the evolution of the anti-corruption field, please look at the following Figures of the 3 phases in Anti-Corruption development, and the fourth phase of integrity building.

Figure 4: The four phases in anti-corruption - phases 1 and 2
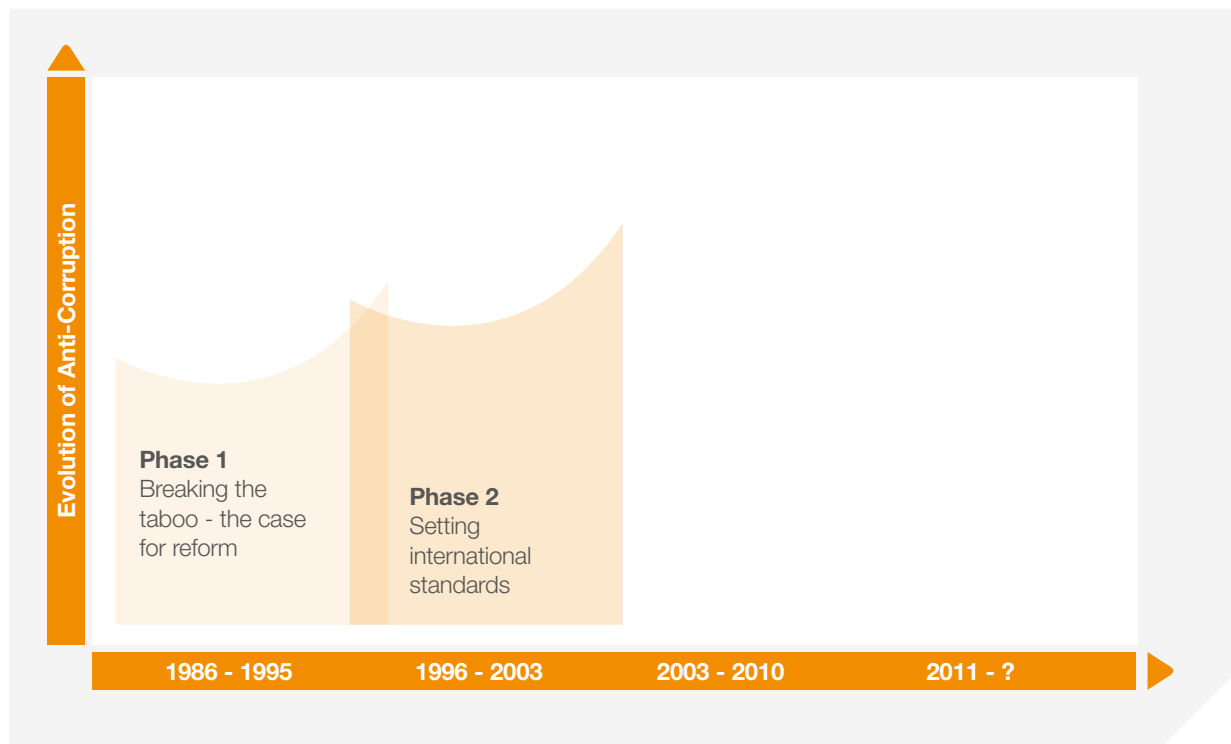
Figure 4. Phase 1 in which the taboo of discussing corruption was broken and justifications and plans for reform were developed. Phase 2 in which international standards were established in numerous areas of political and public activity.

Figure 5: The four phases in anti-corruption - phases 1,2 and 3
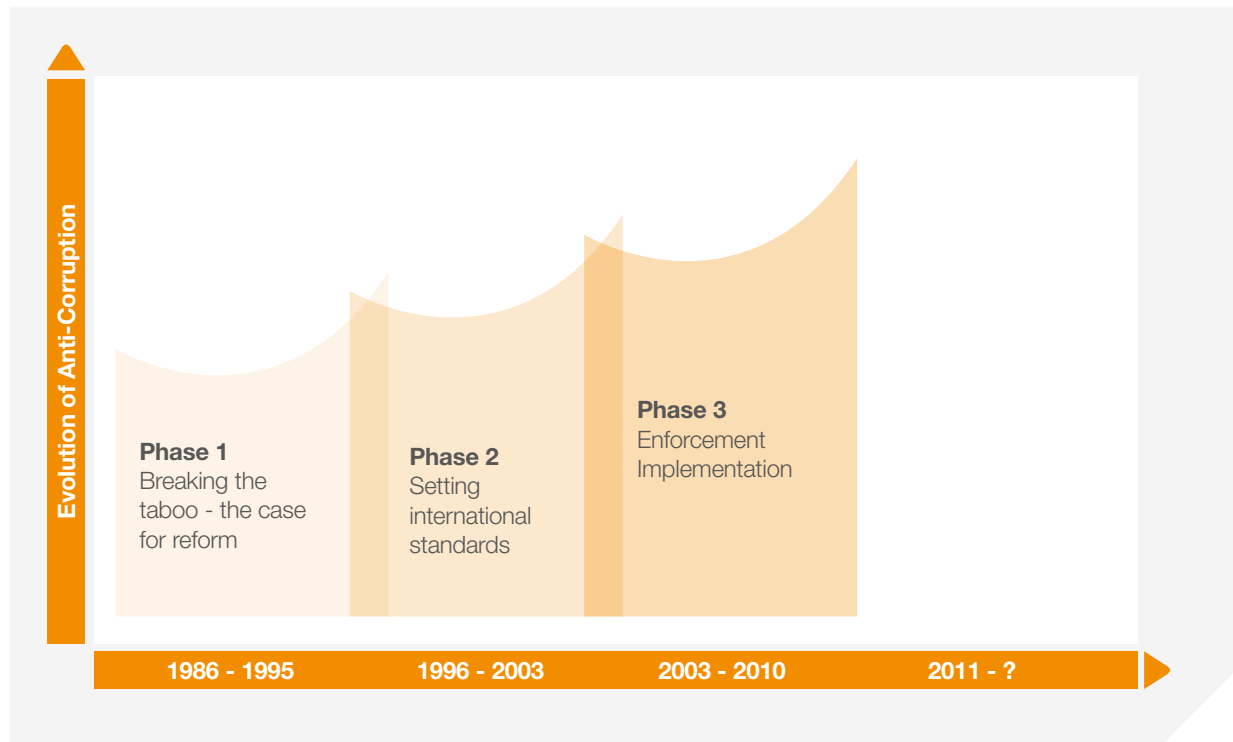
Figure 5. Phase 3 began, with the focus on implementation of standards and enforcement.

Figure 6: The four phases in anti-corruption - phases 1,2,3 and 4
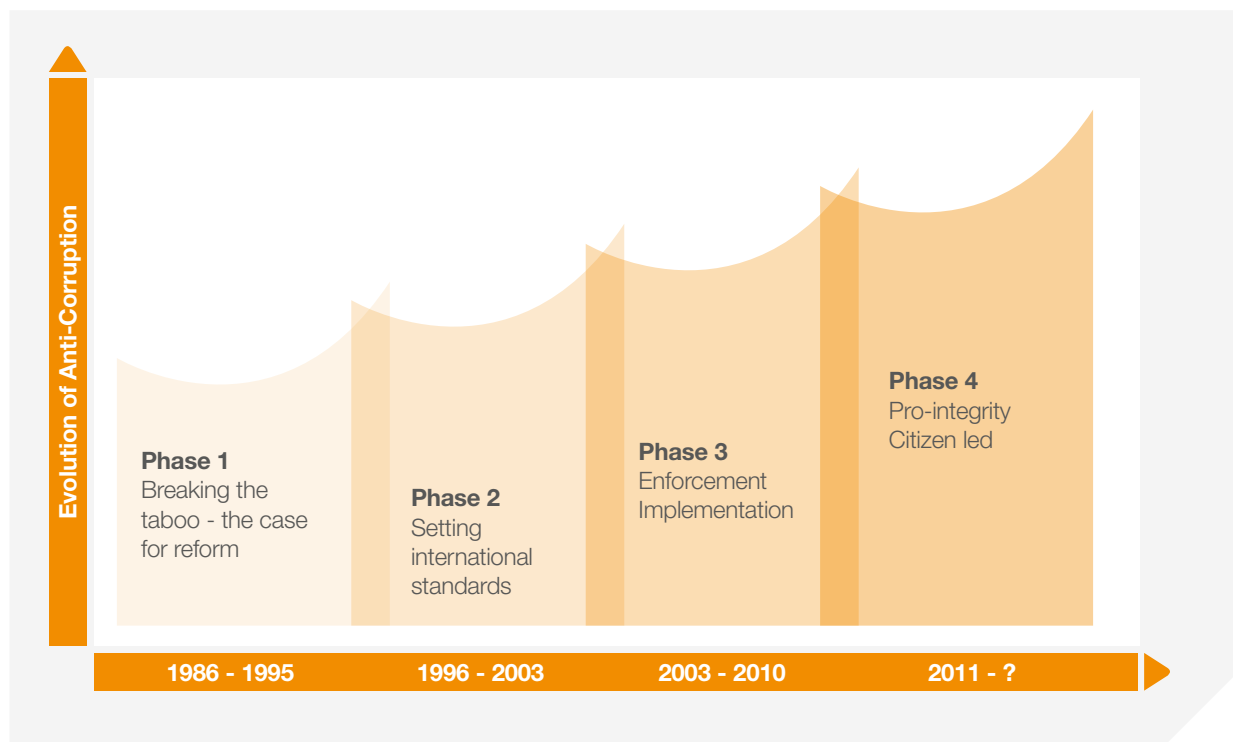
Figure 6. The 4th phase could rightfully be called the 'Pro-Integrity Citizen-led' phase, with the deepening of civil society engagement and leadership.

Integrity Action has concentrated on a programme called Community Integrity Building, which mostly addresses local infrastructure and service issues where citizens suffer as a result of different kinds of maladministration and corruption. These problems often involve corrupt dealings of and with local contractors, and can be solved when local people join together to gather objective evidence of maladministration or corruption and show this to local authorities. The essence of Community Integrity Building is strengthening integrity with a pro-poor stance, which is phase 4 of Figure 6 above. It is a locally driven approach that helps to identify and implement appropriate and viable solutions to improve the integrity of public infrastructure and services.

It works through integrity systems (see Chapter 8), but at the local government level, by identifying people of ethics and integrity, which reflects back to the origins of anti-corruption work, as shown in Chapter 1. It seeks to find local people who are prepared to say that what has happened is not ethical, to substantiate their case, and to find the integrity mechanisms that they can employ to combat corruption.

Community Integrity Building

Integrity Action's Community Integrity Building approach is shown in Figure 7 below.

Figure 7: Integrity Action's Community Integrity Building Approach

JWGs **identify solutions** to integrity problems

Public Service Integrity Charters from JWG

Integrity Helpdesk

Public voice: Community radio, social media, SMS, public hearings

Community monitoring:
DevelopmentCheck
Focus groups
Community score cards
Research

JWGs **implement** solutions to integrity problems

Results Communicated: both problems resolved and good practices identified (through public sharing, film, reports)

4 Constructive Engagement 5 Closing the Loop

3 Evidence Base

CLOSE THE LOOP!!

1 Context Sensitivity

2 Joint Learning

Scoping study stakeholder mapping, local priorities, needs, potential spoilers

Integrity Education: Joint training of teachers, university professors, community monitors, public officials

Integrity Tools: training manuals, schools DVD, ACE analysis, animations, teacher training

Joint Working Groups (JWG) formed/supported

→ Accountability   → Competence   → Ethics

Figure 7. The Community Integrity Building (CIB) Cycle, which is 5 phases. Colour coding indicates which activities support each of the three elements of Integrity: Purple for Accountability, Orange for Competence and Green for Ethics (ethical behaviour).

There is a separate Integrity Action module, later in this textbook, called 'Community Integrity Building and Social Accountability' which can be employed with participants who are likely to be practically applying these tools.

This approach has five phases, outlined below, and within each of the phases there are a number of steps to follow and tools to use.

Phase 1
Context sensitivity

1.1. Context and stakeholder analysis

Understanding the context and the stakeholders is the first step in Community Integrity Building. The main purpose of context analysis is to understand and address local communities' needs, concerns and capacities, and the different forces or influences that impact on their daily lives. A skilled facilitator is needed to work with community members in discussions to get clarity and consensus on the most important issues in the community and the factors that affect these issues.

The main purpose of stakeholder analysis is to find out who has an interest or concern related to a project, an issue or any type of enterprise. Stakeholders may include the local CSOs, community members, local government, local businesses, powerful community leaders (some may be 'good', some 'bad'), traditional or religious leaders, etc. It is important to understand each stakeholder's perspective and interests in order to predict how they behave and potentially have an impact on the project.

Communities are diverse so it is important to have representatives from a wide range of stakeholder groups including vulnerable or minority groups, such as women, persons with disabilities, ethnic minorities and youth. A skilled facilitator is needed to get people to identify which people and organisations are involved in a particular issue, and to make sure that all people have a chance to put forward their point of view.

1.2. Community engagement

As local communities are central to the Community Integrity Building approach, it is important to ensure local ownership of whatever action will be taken, and engage local communities in the process.

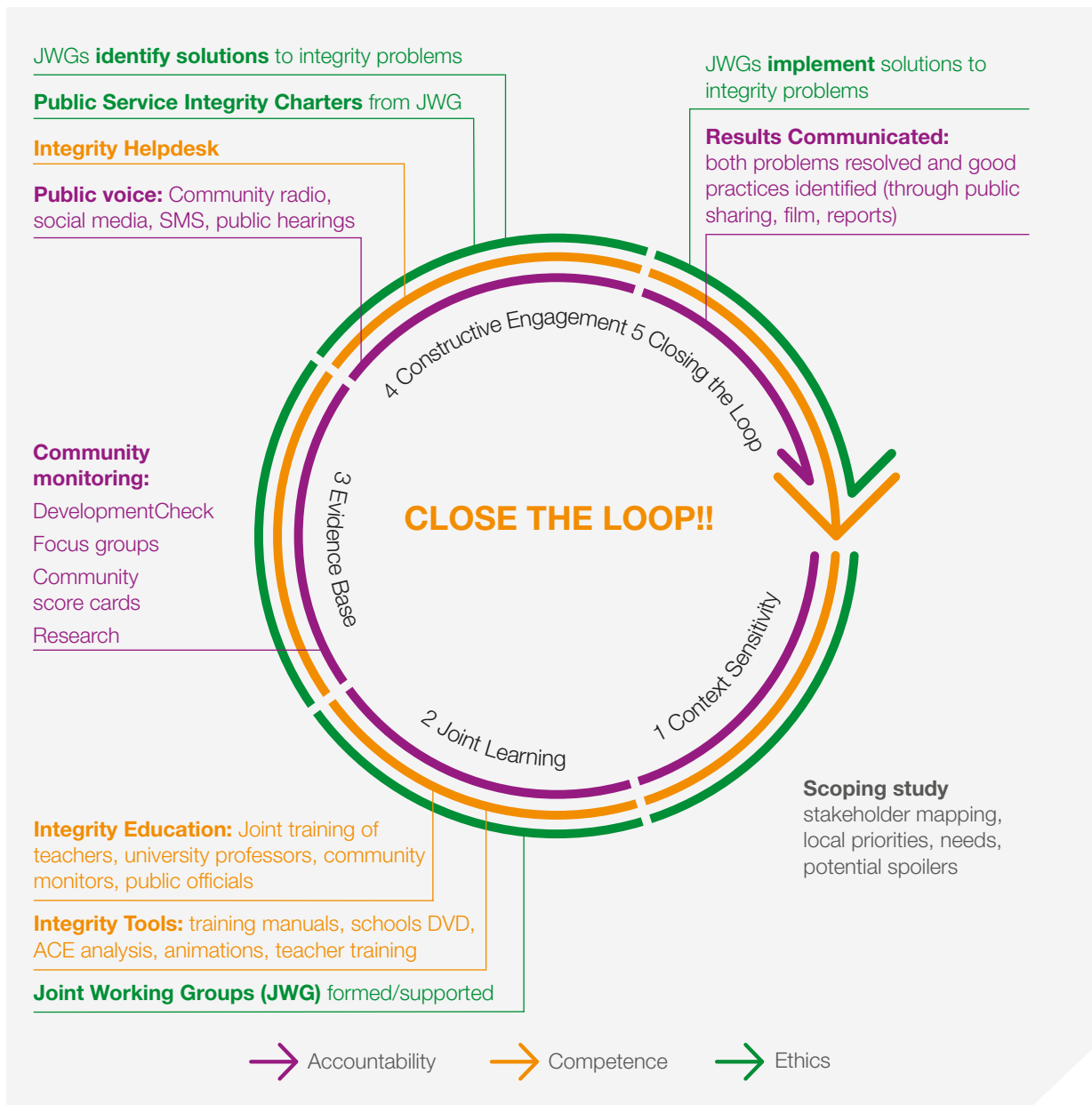Interaction with all members of the local community is encouraged, especially those most vulnerable in the development or reconstruction process, such as women, people with disabilities, ethnic minorities and youth. Even if at first silent, vulnerable community members should actively be encouraged to contribute their voices to the discussion.

1.3. Establishing a baseline

Baseline data refers to information gathered before a project or initiative begins. It is used later to provide a comparison for assessing impact. In Community Integrity Building, a baseline study enables community members to analyse the context in which they are working and establish reference points against which to measure the progress and impact. A community baseline can contain details of original projects and current levels of transparency, accountability, participation and effectiveness.

Phase 2
Joint learning

2.1 Identifying community monitors

Local volunteer monitors, also known as focal points, are central to Community Integrity Building (CIB). The selection process of the monitors should be credible and those putting themselves forward for consideration should be reliable, ethical, and interested in addressing the needs of the community.

There should be a set of criteria necessary for the role of a community monitor and elections in which the local community chooses the community monitors – avoiding a top down approach. This ensures that the community monitor has a majority backing from the community.

2.2 Training community monitors and public officials

Once selected, community monitors are trained in monitoring skills such as analysing project documents, comparing the actual project to the documents, taking photos of the project, conducting beneficiary surveys, verifying their findings as well as advocating for the resolution of problems.

2.3. Establishing or supporting Joint Working Groups (JWGs)

Ultimately, the success of community integrity building depends on some form of effective interaction between the local communities, local authorities and the service providers, including contractors.

Meaningful results are most likely to be achieved when local communities formalise interaction about the development process in a Joint Working Group (JWG) or monitoring committee where all sides have incentives to actively participate.

2.4 Selecting development projects to monitor

The local communities themselves should, if possible, select priority development projects that matter the most to them. Participatory community meetings could be used to help identify and select priority projects to be monitored by the community.

Projects should also be selected on the basis that the monitoring may have a wider policy impact. Monitoring a national programme, such as a national disarmament, demobilisation and reintegration programme (e.g. road building) enables comparison across localities and potential influence at the national level.

Phase 3

Evidence base

3.1. Data collection, analysis and verification

Community monitors gather data on three key areas:

- **Access to information** - whether the communities can access key project information, such as the budget, contract or plans.

- **Community engagement** - whether communities were involved in the project design and/or implementation.

- **Project effectiveness** - whether the project is effective, complies with established standards and communities are satisfied.

There are numerous steps to follow in the data collection and analysis phase, from pre-fieldwork to fieldwork and data analysis.

Phase 4

Constructive engagement to resolve identified problems

Once evidence is gathered, community monitors share their findings with key stakeholders in order to address any issues they have found, and also share good practices they have seen.

Joint Working Groups, also known as monitoring committees (see 2.3 and 2.4), are useful for collaboratively finding solutions to problems. In order to prevent further problems, monitors are encouraged to work with contractors and authorities to ensure projects are planned and maintained effectively.

Public hearings may sometimes help in this process although they are often seen as confrontational so context sensitivity is key to longer-term engagement.

Phase 5

Closing the loop

The final phase is the closing of the loop when the solutions put forward by the Joint Working Groups are actually implemented. When problems are solved to the satisfaction of key stakeholders, then a fix is achieved. Closing the loop is when the feedback mechanism is integrated into a process so that it triggers an intelligent response - an additional decision, a solution to a remaining problem, etc.

If the Community Integrity Building approach fails to implement a solution to the satisfaction of the main stakeholders, a fix has not been achieved - but the process may have stimulated thought or a course of action which will succeed later. For instance:

- The community can put forward smart, locally sensitive policy recommendations

- It can engage potential spoilers (those who try to interfere, raise obstacles, or prevent success) and can pre-empt the actions they can take wherever possible

- Make it clear that the suggested solutions are a joint achievement and not the credit of civil society, or a CSO, but a genuine collaboration between public officials and local citizens

- Develop close working ties to key public institutions and selected senior government officials

- Share and disseminate best practices, for example through local media, public hearings and social media

- Hold public hearings, inviting all stakeholders, peer organisations, civil society and the media to present the main successes, challenges, and lessons learnt.

5.1. Fixing problems & advocacy

If solutions to identified problems are not found or implemented easily, then it may be useful to carry out an advocacy campaign. Advocacy can be led and undertaken by the local communities affected by the development projects. These local communities have a critical and legitimate voice, as they live with the effects - good or bad - of the development projects, and are therefore important in determining the changes that should be made.

Confrontation can be the preferred method in some advocacy strategies. It seeks to obtain change via pressure and seeks to point out problems rather than offer solutions. However, high profile, confrontational strategies of naming and shaming, might prove to be dangerous for the local communities involved as well as alienate them. Therefore instead of this confrontational approach, we encourage collaboration between local communities and authorities.

Evidence-based advocacy offers a rational, rigorous and systematic case for key decision-makers to improve development programmes, projects and services, or reform inappropriate policies.

An important element of communication and advocacy is working with the media. The media can become important allies of Community Integrity Building turning investigative journalism into "integrity journalism" by reporting on problems as well as the efforts of citizens and public officials to resolve them.

5.2. Learning and assessing impact

In order to know whether we have achieved the Community Integrity Building objectives we set out to accomplish, and to assess the impact of our work, it is important before starting the work, to develop indicators that will help us to know when a change has happened.

From there, it becomes possible to ask stakeholders questions about which changes have happened, and how. These indicators should be used to help us assess our own progress throughout the Community Integrity Building project cycle.

Conclusion

Integrity Action believes strongly that building integrity is the way to combat corruption. It understands Integrity as the alignment of Accountability, Competence, and Ethical behaviour in the struggle against corruption. Integrity Action focuses on the features that are most likely to succeed - ethical standards, backed by accountability and competence, and the use of organisations that have the opportunity to employ integrity as their preferred choice of tools in trying to combat corruption.

Section 2   Integrity

Module 2
Understanding Integrity

Section 2 Integrity

Purpose of this module

The purpose of this module is to introduce you to the concept of integrity, while realising that, for many people, the place that they are starting from is a desire to fight corruption.

Fighting corruption is obviously very important, but it is starting from an expression of the problem rather than starting from an expression of the ideal that is needed in order for corruption to be defeated - or, at least, limited. Integrity creates the conditions for organisations and people to intelligently resist corruption and to be both more trusted and more efficient.

This module clarifies integrity at both a personal and organisational level, explains why it is both so important and so difficult, helps people recognise the key point is an ethical dilemma which leads a person or organisation either into corruption or into integrity, helps people to choose integrity, and then to protect that choice in what may be an unfriendly context of endemic corruption and widespread impunity.

The purpose of this module is to succeed in getting learners or participants to internalise the principles and strategies of integrity and to eschew the corrupt practices and behaviours that are commonplace in challenging governance environments. To this end the module must be locally relevant, evidence based and take a problem-solving approach. The intention is to deeply ingrain participants and readers with the motivation, values, knowledge and skills that must be deployed in different settings to establish integrity.

This module contains examples and exercises, but will only be powerful if it is strongly infused with examples from the lives of those of you who are studying the module. It is important to make sure that this module is realistic and corresponds with the real world.

Chapter 1

Fundamentals of Integrity

Integrity is a pre-requisite to any effective measure to safeguard human rights, the environment, strengthen democracy, promote social equity and the rule of law, prevent conflict, and contribute to the reduction of poverty. The world has never been better educated or enjoyed higher levels of literacy and wealth, but the trust in public institutions, voting, and other indices of civic engagement are in general decline.[34] People across the world are demanding more responsive governments and better governance and rights at all levels.[35] Politicians, civil servants, military leaders and business managers also number greatly among those who are indicted or convicted for corrupt practices. Widespread corruption is one of the symptoms of a failure of the integrity that is a pre-requisite for a vibrant and empowered society.

Meaning of the word

Different people mean different things when they use the word 'Integrity'. How do the following professionals understand and use 'Integrity

- Structural engineer?
- IT Specialist?
- Ethicist?
- Social Scientist?

Integrity is not simply 'good' behaviour.

In this module, we are going to be talking about ethics, values and standards as we discuss "integrity" - both at a personal level, and at the level of organisations (which can be government organisations, private for-profit organisations, and not-for-profit organisations).

Most people do not talk about these qualities, and it will require some re-adjustment of our thinking before we are able to discuss them openly. People often feel, in these discussions, that they are being accused, and this holds back a useful exchange of views. Most people prefer to talk about behaviour, or personal incentives, or their education, experience, skills, competences, likes and dislikes in the context of personal and organisational life, rather than talk about ethics, values, and standards.

Yet many times this is against a context or environment in which we all know that integrity is largely missing and that corruption is the norm. This module recognises that such a norm involves the making of ethical choices, and it offers to reduce corruption by building different attitudes to these ethical choices - attitudes of integrity - and then mainstreaming these in the lives of different kinds of people, and in the organisations with which people are involved. Attitudes of integrity are particularly important for the people in government, business and civil society associations.

---

[34]Robert Putnam's «Bowling Alone» describes this for the USA. CIVICUS describes this internationally in their Civil Society index series.
[35]CIVICUS State of Civil Society Report 2014.

To start with it is important to have a shared understanding of the word "integrity" because people will come to the word from many different perspectives, and use it in many different ways:

For a structural engineer, "integrity"- of a bridge, for example - means that it is complete, finished, and structurally sound - there are no parts that will fail and thus cause other parts to fail.

For an IT specialist, "integrity" of data means that the data are consistent and complete - it will perform as expected, and will not contain any unexpected or unpleasant surprises - no "bugs".

At a personal level, "integrity" refers to soundness of character, and performing consistently according to a person's values (for instance a religious leader who advocates faithfulness in marriage, but himself has an extra-marital affair, would not be considered a person of integrity).

As social scientists, "integrity" is often used as an opposite or antidote to unethical behaviour, particularly behaviour that involves corruption.

Integrity is not simply "good" behaviour, because we may not all agree on what constitutes "good behaviour". We need to move away from a subjective idea of what we think constitutes "good behaviour" to a practical, clear, concrete and measureable definition of integrity which can get common acceptance. Once we have got that, then we can check whether a person's actions are consistent with their (and our) definition of integrity.

It is important, however, to have greater clarity on what "integrity" is, not be limited by what it is not.

✏️ Exercise
Discussion

Discuss integrity in a small group and then identify, by group, two institutions, organisations or people that have integrity and say on what you base that judgement. Be prepared to inform the larger group of your choice, and what your reasons are. Be prepared for others to disagree with you.

Make sure you are identifying integrity, not just ethical behaviour with which you agree.

Suggest also one person or organisation that does not have integrity, and say why you think so.

Each group should note the results of their discussions on a sheet of paper and stick it on the wall so that people can remember what they said and reflect on it. At the end of the module, you should look back on these sheets and reflect if and how your thinking has changed.

Chapter 2
Elements of Integrity

The four elements of Integrity, both personal and organisational, are:
- **Accountability**
- **Competence**
- **Ethical behaviour**
- **corruption controls** or **no corruption**

And elements have to be **Aligned** to work together towards the end of greater integrity.

These four elements are distinct, yet complementary - together they comprise integrity. They are equal in importance and value - so note that if one of them is missing, then integrity cannot exist. Let us look at these more closely - and think of them from the perspective of both personal and institutional integrity.

Accountability: This means being willing to be open to all legitimate stakeholders to allow them to check that we or our organisation is doing what it says it is doing. If a person or organisation behaves ethically, is managerially and technically competent, has an absence of corruption, and shows that what they do is in alignment with their purpose and values, but is not prepared to be open and accountable - it cannot claim to be acting with a high degree of integrity.

Example of Accountability

a. Personal

A manager who is competent, ethical, who does not get involved in corruption, but who evades paying the required personal income tax, cannot claim to be acting with a high degree of integrity.

b. Organisational

A government ministry, department, or programme which refuses to open its books of accounts to legitimate enquiry cannot claim to be acting with a high degree of integrity.

Competence: This means having and deploying the skills and capabilities required to achieve personal or organisational goals. It requires a balanced mix of managerial and technical skills and attributes. If a person or an organisation displays the other qualities (e.g. acts ethically, is accountable to its stakeholders, has an absence of corruption, and all these are in alignment with each other, but demonstrates incompetence - it cannot claim to be acting with a high degree of integrity.

Examples of Competence

a. Personal

A civil servant serving citizens who are applying for business permits, does not fully understand the requirements of his or her position, and therefore delays responding to the requests or arbitrarily approves or rejects applications with little justification, he/she is not qualified, and cannot claim to be acting with a high degree of integrity.

b. Organisational

A micro-finance organisation whose mission is to make small loans available to poor people, but which lends money to anyone, including those who are not poor, and then does not check-up that the funds were spent as written in the loan agreement - cannot claim to be acting with a high degree of integrity.

Ethical behaviour: This means behaving in compliance with a set or system of principles and commitments that are established to guide decision making and behaviour - a consciousness of what is legally, morally, professionally important, obligatory or permissible. If a person or an organisation is accountable to its stakeholders, is managerially and technically competent, has an absence of corruption, and all these qualities are in alignment, but it does not demonstrate ethical behaviour, it cannot claim to be acting with a high degree of integrity.

Example of Ethical behaviour

a. Personal

A manager who is trustworthy, competent, accountable, but who takes bribes which influence his/her actions, cannot claim to be acting with a high degree of integrity.

b. Organisational

A micro-finance organisation which refuses to lend money to an individual because he/she comes from a particular tribe or ethnic group cannot be claiming to act with a high degree of integrity.

Corruption controls: This means having no tolerance for corruption and ensuring that an organisational framework of systems is in place to make corruption difficult. There are many different ways that people practice corruption without it being seen as something significant, and in conversation we often make jokes about corruption. This can be small bribes, nepotism to help our relatives, paying money to get things done quickly. If a person has high standards in accountability, ethics, and competence, but accepts behaving corruptly, then we cannot say that the person has high standards of integrity. An organisation needs to implement tools and procedures that make corruption difficult and messages to promote integrity throughout the organisation need to discourage corruption.

Example of corruption controls

a. Personal

A manager who in his or her personal capacity, tries to persuade parents of children learning at the school which his children attend, to stop the practice of paying teachers to give their children high grades, can be said to be acting for the absence of corruption as well as his or her other ethical, accountable, and competent behaviour.

b. Organisational

A micro-finance organisation which works with other similar organisations to set up a standard of ethical practices for the micro-finance sector, which includes restrictions on paying bribes, monitors the loan recipients and their activities, ensuring that they are following the established standards and procedures and if not, enforces the rules and metes out sanctions after due process. This organisation can claim to have corruption controls in place, together with its high standards of integrity, competence, accountability and ethical behaviour.

Alignment: This is a means to the goal of integrity - and it means having consistency between what you or your organisation intends and/or says that it is going to do (e.g. your vision, mission, goals) and what it actually does. Another way of explaining this is consistency and unity of purpose between the implementation of the elements of integrity behaviour that you or your organisation consider important (e.g. your values) and the way that it actually behaves. If a person or organisation behaves ethically, is managerially and technically competent, demonstrates accountability, and does not practice corruption, but acts in ways that are inconsistent with what it says - then it cannot claim to be acting with a high degree of integrity. On the other hand, an organisation that explains its vision, mission and goals to employees, reviewing and enforcing the messages of integrity and the importance of aligning its four elements, and its leaders demonstrate integrity behaviour, then there are more chances for integrity to flourish within this type of organisation.

Example of Alignment

a. Personal

A leader who is competent, ethical, and accountable, who does not practice corruption, and who claims to be gender sensitive, but actually only employs men, cannot claim to be acting in alignment with its values and principles of equality and cannot claim a high degree of integrity.

b. Organisational

A micro-finance organisation introduces a demand for high collateral as a guarantee so that those who they were intended to help (the poor) cannot use its services, is not in alignment and cannot be acting with a high degree of integrity. Demanding high levels of collateral from the poor will prevent the poor from getting fair access to the loans, and thus their ethical practice is inconsistent with their public posture of helping the poor.

Another way of putting this is to reflect that if a person has integrity, his or her conduct is consistent from one action to the next, and then he/she is in the realm of personal values

and morals. You know what you are likely to get from that person - you are unlikely to be surprised by any actions which will be "out of character". We also expect that the person with integrity will have high moral standards - even if we do not agree with all of them.

At an organisational level, if an organisation has integrity, it means that we trust that organisation to do what it says it will do, and that it is worthy of our trust. We also expect that organisation to have a sound ethical framework, and that it will be competent - i.e. it will, like the bridge of the structural engineer, not collapse nor show structural weaknesses.

Using ordinary language

The previous section seems to be very rigorous and suggests rules some might consider difficult to live by - but these are only carefully written versions of what people say every day in connection with these 4 elements. If we use everyday language, the elements become easily understood and useable slogans.

Integrity is the alignment of:

Accountability

- We take responsibility for our actions
- We do what we say we do
- We provide stakeholders with the information they need to check our work

Competence

- We have what it takes to get the job done
- We do it well
- We manage our work professionally

Ethical behaviour

- We value others' opinions
- We can be trusted
- We work for the public good

Without corruption/with corruption controls

- We work without corruption
- We use tools to make corruption difficult
- We support those who try to reduce corruption

Alignment - We mean what we say, there is no gap or difference between our words and our actions. Our understanding of Accountability, Competence, and Ethics is consistent with each other, and supports each other in the task of strengthening integrity.

Exercise

Discussion

Discuss in your group, and then suggest to the whole group, two people or organisations/institutions that each exhibit Competence, Ethical behaviour, Accountability, Absence of corruption, and say what you base that judgement on.
Then give them a slogan which sums up their approach.

Chapter 3

Characteristics of integrity

To help us understand the different components of Accountability, Competence, Ethical behaviour, and Absence of corruption better, let us look at the following list of their characteristics. In each case, do you agree that these characteristics illustrate and illuminate the four main elements? Are there other traits that you would like to add?

These characteristics also suggest to us what we need to do in order to achieve the goal of integrity.

Characteristics of the elements of integrity (1)

What are some of the characteristics of **Accountability?**

- Transparency
- Access to information
- Consistency
- Social responsibility
- Clear record keeping
- Openness to stakeholders

Characteristics of the elements of integrity (2)

What are some of the characteristics of **Competence?**

- Professionalism
- High quality work
- Effectiveness
- Reliability
- Responsiveness to stakeholders concerns
- Good stewardship of resources

Characteristics of the elements of integrity (3)

What are some of the characteristics of **Ethical behaviour?**

- Trustworthiness
- Fairness
- Honesty
- Lawfulness
- Social Justice
- Respecting rights
- Confidentiality

Characteristics of the elements of integrity (4)

What are some of the characteristics of **corruption controls**?

- Policies and procedures that set legal and social standards against corruption
- Zero tolerance for corruption, our own or of others
- Incentives for those promoting integrity
- A clear public stance against corruption
- Support for anti-corruption practitioners and agencies
- Encouragement of anti-corruption champions
- Discouragement of impunity

The Equation

All of the preceding points can be summed up in the following equation:

Figure 8: Integrity definition

Integrity: I = a (A, C, E) – c

Integrity is the alignment (a)

of Accountability (A)/Competence (C)/and Ethical behaviour (E),

without corruption (c)

"without corruption" includes the implementation of corruption control mechanisms

Figure 9: Integrity and its components illustrates the fact that all four elements must be present for true integrity:

Accountability

Integrity

Competence

Ethics

Without corruption/With corruption controls
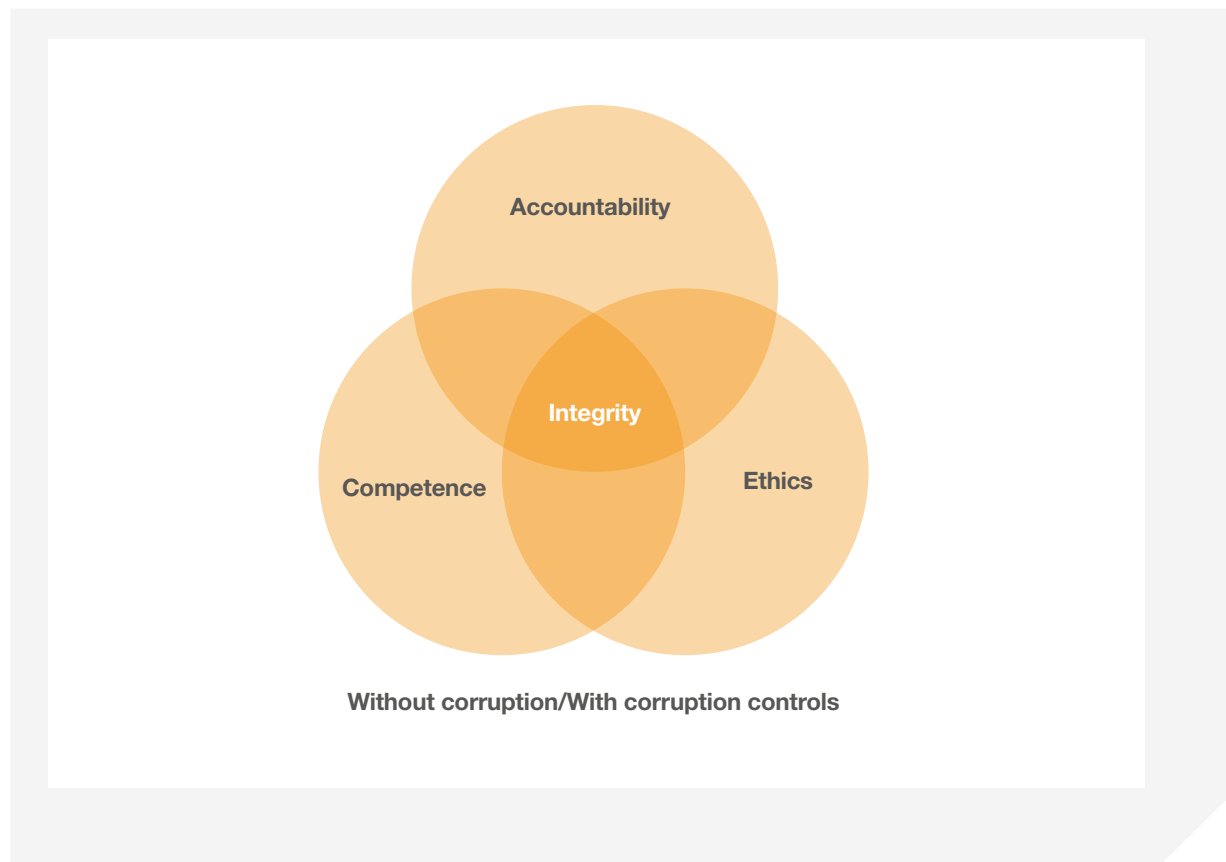
Chapter 4

Why Integrity is so important

All the elements of a state have the opportunity to practice integrity - or to ignore it. This includes the government (executive, legislature and judiciary), the business or private sector, academia, the civil society sector (including civil society organisations, traditional, cultural and faith-based organisations). Integrity as practised by these different sectors adds up to the concept of "public integrity" in a country. All countries should aspire to public integrity whether they are developing, in transition or developed, as part of their drive towards good governance and democracy or a strong and active civil society. This is not the unique responsibility of the state, the business world, or the citizenry, but the duty of all of them. If integrity is not widespread and prevalent, then corruption is likely to flourish.

His Highness the Aga Khan, leader of the Ismailis within Islam, has said, "A deeply rooted sense of public integrity means more than integrity in government, important as that must be. Ethical lapses in medicine and education, malfeasance in business and banking, dishonesty among journalists, scientists, engineers, scholars - all of these weaknesses can undermine the most promising democracies."

Integrity will help to build a fair, equitable, honest and democratic society, in particular a society that invests its resources to improve the people's quality of life, the rule of law and sustainable development. If we compare this situation to its "flip" side, corruption, we see very different effects in (for example) these three categories - Economic, Social and Security integrity.

Why economic integrity is so important:

With corruption	With integrity
Leakage of funds slows down development	Budgets are agreed, spent, monitored, audited and in case of leakages, compensation is sought, or sanctions are applied
Costs are increased because of bribes	Competitive market forces, backed by laws, make a level playing field
Policies are distorted so that individuals benefit	Policies are designed to serve the public good, and watchdog agencies monitor this
Managers are demotivated by nepotism which interferes with merit appointments	Meritocratic systems of appointment are in place, and well monitored
The rich control the legislature and make laws which make them richer	Laws are scrutinised by public organisations for accountability

Why social integrity is so important:

With corruption	With integrity
Trust and confidence in the Executive. Legislature, Judiciary and ordinary people is eroded	Institutions, organisations and people can earn trust
Ethnic, political and social minorities are hurt because policies are made by the majorities to benefit themselves	The law is increasingly equitable and watchdog organisations are monitoring this
The poor are denied their fair share of state services because while they should be available free, they are only available with bribes, which the poor cannot afford	All receive the services to which they are entitled and this is monitored by programmes of social accountability
Managers are demotivated by nepotism which interferes with merit appointments	Meritocratic systems of appointment are in place, and well monitored
The rich control the legislature and make laws which make them richer	Laws are scrutinised by public organisations for accountability

Why security integrity is so important:

With corruption	With integrity
Risks of public health and public safety (drugs, food contamination, etc.) increase as standards are eroded through bribes	Public health standards are upheld, monitored and infractions punished.
Pollution and environmental destruction increase as laws are bent in response to bribes	Monitoring and preventing bribes allows laws and regulations to be enforced
Crime, terrorism, drug and people trafficking increase as law enforcement is distorted by bribes	Bribe-free administration of justice and police services allows laws to be enforced
Managers are demotivated by nepotism which interferes with merit appointments	Meritocratic systems of appointment are in place, and well monitored
The rich control the legislature and make laws which make them richer	Laws are scrutinised by public organisations for accountability

Exercise

Provide examples from your own experience that encourage integrity

In each group, provide examples from your own experience of structures and systems that encourage integrity, and examples of the opposite - of structures and systems that discourage integrity. Give examples of those who are harmed by corruption and those who benefit from integrity.

Chapter 5

Why integrity is so difficult to achieve

Integrity is very difficult to achieve because for so long people have focused on corruption and accepted it as 'normal'. But in reality, there have been countries that have minimised the impact of spoilers - those who use any means to gain benefit - and replaced it with an integrity approach, that helps people 'to do things right', rather than 'do things wrong'. One worry people have is that they will 'lose' if they act with integrity, while others are acting with corruption. So that you don't get too discouraged, we suggest you look at a real-life case study that shows that even in global business dealings, a company can increase profits by using an integrity approach. (See Alan Barlow, www.integrityaction.org/documents/competitive-edge-superior-profits-through-integrity)

There are common characteristics universally that interfere with reforms. These include greed, a desire for power, weak institutions, and some would say 'human nature'. These have elements that are in the 'motives' category. We will focus on what directly interferes with governance reforms.

We start by describing five reasons why anti-corruption governance reforms so often fail. Among them are reasons why corruption is so difficult to curb, and why integrity is so difficult to achieve. Then we will describe this major set of obstacles that have always been active to strengthen corruption. They are called 'spoilers' - that is, people who want to benefit by being corrupt, and they do everything in their power to achieve this. We will describe the various types of spoilers, and will then discuss how to counteract them.

There are, at least, five reasons why reforms fail. They are:

1 **Corruption is a meme**. A meme is a phenomenon that constantly evolves through a process of natural selection. Why is corruption a successful meme? Because it fulfils multiple functions for different stakeholders.

  1 From the point of view of the powerful, corruption is:
- the fastest path to wealth and power
- the best way to retain wealth and power (in weak governance settings, especially)
- the above can be broken down into additional functions.

  2 From the point of view of the weak, corruption means:
- being able to engage a more powerful adversary
- getting support from the powerful for favours offered
- a possible path to social and economic mobility, especially in highly stratified societies. People can advance themselves through professional sport achievements, fame such as through Bollywood, criminality, politics or corruption

  3 From the point of view of justice, corruption can:
- protect the powerful, and create impunity
- protect favourites from unjust laws
- develop dependence by the jurist for corruption income

  4 From the point of view of government, corruption can:
- help government officials maintain their established power
- make it possible for governments to pay low wages and collect low taxes, while corruption is their other source of income

  5 From the point of view of business, corruption can:
- stimulate business for some, and grease the wheels for others
- enable advocacy for and influence new laws that favour business
- provide protection for government

  6 From the point of view of 'Insiders', corruption can:
- maintain or strengthen one's position inside the group

  7 From the point of view of 'Outsiders', corruption can:
- create access to power
- encourage rapid shifts in allegiance for self benefit

2 **Reforms oversimplify externalities**, both of corruption and of reform.

  1 Externalities are costs or benefits that are not taken into account within the pricing of a good or service. There are both negative and positive externalities.

  2 For example, a cost that may not be taken into account when building a factory, is the pollution caused by the chemicals or oils used in a factory that are piped into the ocean.

  3 For example, a benefit that may not be taken into account is when a city grows and prospers, although the Mayor may be very corrupt.

3 **Size and time matter.** This refers to how some countries have advantages that make it easier for them to implement reforms successfully.

  1 Small countries - those that have fewer than 10 million inhabitants - are often less complex than large ones, and therefore implementing change can be much easier than for large countries.

  2 If countries are 'patient', i.e., they can implement a set of reforms over time that is in longer increments. It is often easier to bring the people on board, with small changes each time.

4 Principal-Agent problem

1 This problem occurs when a Principal (e.g., government official) sends his/her Agent (e.g., a health and safety inspector) to act for the Principal.

2 The Agent must carry out an inspection and charge the Client (e.g., factory owner) if infractions are observed.

3 There is an asymmetry of information, between each 'pair'.

- The Principal gives an instruction to the Agent, but does not necessarily know if the Agent is carrying out the instruction exactly as given.

- The Agent may charge the Client more or less than required, without the Client knowing what the original instruction from the Principal (i.e., or the regulation) is.

- As a result of this asymmetry of information, the situation may develop that the Agent charges the Client less than necessary, in return for which the Client gives the Agent a financial benefit with the total paid by the Client being less than the official amount according to the regulations.

- Alternatively, the Agent may charge the Client more than necessary, and the Client may not know, especially when the transparency of information is low or nonexistent.

- Therefore, transactions may be hidden, altered, over-priced or under-priced, which can mean a financially corrupt mechanism that is difficult to identify and redress.

- The result is a lack of integrity and financial corruption that does not lend itself to implementing reforms.

5 Reformers often ignore Spoilers

1 Spoilers are persons who interfere with reforms in a variety of methods.

2 These spoilers can be Proactive (initiated by the spoiler) or Reactive (spoiler reacts to a situation), and Overt (visible) or Covert (hidden).

3 There are seven (7) basic methods used to spoil reforms. Under each method, there are lots of 'activities' that the spoiler employs. They may include:

  • Muscle Power - terrorising people; physical brutality; etc

  • Legal, Judicial Power - corrupt judiciary; weak legal system; unjust laws enacted; etc

  • Money Power - buying votes; bribery of public officials; paid news; paid NGOs; etc

  • Administrative, Political Power - competing reforms; low salaries; organise lobbies; block legislation; over-centralisation of power; etc

  • (Dis)information - attacking personal integrity of officials; incomplete information; false personal information about candidates; false statistics; hidden religious agenda; etc

  • Social Power - rallies; riots; social media; religious influence; campaigns; fatwa; etc

  • Technology - viruses to destroy information; hacking; stealing information; blocking internet; tap phones; etc

Figure 10: Spoilers
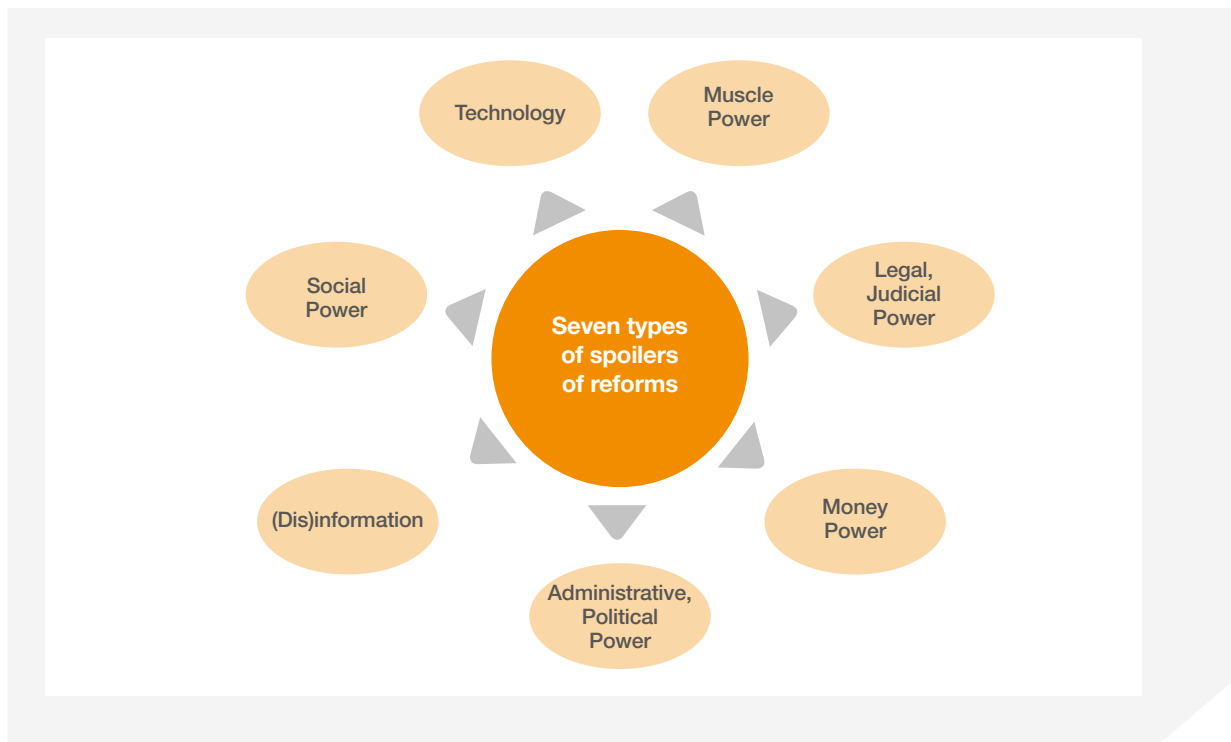
Exercise

Discussion

Review the seven types of spoilers in small groups or individually, and write down at least 5 ways to spoil reforms for each type of spoiler.

Discuss these with your colleagues and fellow learners.

Then start to work with your colleagues and fellow learners about ways to prevent the spoilers from being successful.

Try to develop at least one action plan for each spoiler type, to prevent the spoiler from being successful.

Why integrity is so difficult to achieve

• Entrenched and powerful interests are practicing corruption

• There is pervasive impunity for those practicing corruption

• Corrupt behaviour is commonly accepted, especially when it benefits oneself (usually only in the short term)

• The cumulative damage caused by corruption is not widely appreciated

• Those building integrity are not widely supported

Let us look at these in more detail:

Entrenched and powerful interests are practicing corruption

In countries of endemic corruption, building integrity means standing up against many entrenched interests that are benefiting from corruption - and these are from the powerful at the national level (e.g. ministers benefiting from sales of weapons) to the powerful at the local level (e.g. village heads benefiting from sale of land or legal documents). Those practicing and advocating integrity often wage a lonely and dangerous battle against the powerful forces of graft in high places as well as the widespread street level corruption.

There is pervasive impunity for those practicing corruption

Powerful people in many cases have changed the laws or control the justice system such that they will not be caught or prosecuted for their corrupt behaviour. This enables people who are clearly corrupt to escape prosecution, and encourages others who are considering corrupt actions to continue because they feel that the risks to themselves or their companies are small.

Corrupt behaviour is commonly accepted

In many cases it is considered usual and normal for those with authority to use that power to make money for themselves. In some cases this is the reason why they sought such positions (e.g. police paying for their positions in the knowledge that they will have many opportunities to recover their "investment"). In other cases corruption is considered to be the way society shares the spoils of office (e.g. John Githongo, a human rights activist in Kenya, saying of the Kikuyu "it is our turn to eat").

Many people talk of corruption as "oiling the wheels" of commerce, but increased corruption actually increases costs and transactions times, and acts as "sand in the bearings" not "oil in the wheels".

The damage caused by corruption is not widely appreciated

A small bribe to "buy" a driving licence or get a land document issued is not considered serious because it is small. However, once this is multiplied by all the corrupt transactions in the country, the scope is enormous. If it is agreed that a portion of this large amount of money

goes to pay superiors, then there is a situation in which corruption becomes the standard for income revenue of government officials who will not do their work without the additional resources.

At a national level it is often not appreciated that massive larceny of state resources means that less is available for the usual services of the state.[36] For example, the Goldenberg scandal in Kenya was equivalent to the budget for the entire health service for the country.

Because corruption is so common and unremarkable, people do not stop to think about the long-term damage that it is doing economically, socially, and from the perspective of security.

Those building integrity are not greatly supported

In a situation of endemic corruption and widespread impunity, it is very difficult to find "champions" of integrity who are prepared to argue for its valuable benefits. Such people are often derided because they are "too stupid" to take advantage of the corrupt benefits that their colleagues are receiving, or "too principled" to understand that corruption is the norm, and that they are "out of touch with reality".

This list of difficulties seems depressing and intractable. Nonetheless, there is the gradual appreciation in many countries that the problems caused by corruption are worse than the supposed benefits. This appreciation comes from ever more enormous scandals being revealed and the public's realisation and appreciation of the amount of money which is being appropriated from the public purse by a few people. Increasingly, efforts are made by people of integrity to persuade the public that corruption is not only harmful, but promotes inequality, deepens poverty, slows down national development, and is, at a personal level, unethical.

An example of this is the media - whose value in this respect is tremendous. While they may be accused of only being interested in scandals, many journalists and other media people are often very interested in exposing corruption from both a populist and principled perspective.

Ordinary people have become more and more frustrated with corruption but find creative ways to vent their frustration. The chapter on Indonesia of the Centre for Global Integrity's 2004 edition of "Corruption Notebook"[37] told of lorry drivers spitting into matchboxes which contained the bribe demanded by policemen at road blocks, as they threw these out of the window of their trucks, and plaintiffs hurling their shoes at judges in court when obvious corruptly influenced judgements were made.

Integrity champions, as has been mentioned, will have a difficult time - but they are likely to be in the vanguard of those who want to reform society. And such reforms are increasingly becoming required of countries as more international conventions and laws to fight corruption and increase integrity are signed and implemented.

---

[36]Estimates vary, but Wikileaks claims the Goldenberg Scandal stole 10% of the GDP of Kenya, whereas World Press claims 20%. See: wikileaks.org/wiki/The_looting_of_Kenya_under_President_Moi

[37]Corruption Notebook 2004. Centre for Global Integrity ed Jonathan Werve 2005.

At the grassroots level, however, there is plenty of scope for ordinary, principled citizens to make clear their objection to corruption. In many cases they will find support from people who have been accepting - but not approving of - corruption for many years. Such people are helped when very greedy individuals behave in ways that even the general population considers to be excessive.

Transparency International in Bangladesh started to form "Concerned citizens groups" in villages throughout the country where principled people formed discussion groups to educate each other about the harmful effects of corruption.

Exercise
Discussion

In your group discuss what sort of people can promote and champion integrity, and give examples. Suggest how they can do so, and how they can be helped to do so.

Chapter 6
Recognising ethical dilemmas

Although many people are caught up in a society in which corruption is pervasive and commonplace, it is important to stress that each act of corruption involves a moment of ethical choice in which a person commits to a choice of integrity or a choice of corruption. In many cases such a moment of choice passes by quickly, without it being realised that there was a dilemma and a choice.

It is important to try and freeze the moment and discuss what were the alternatives and options at that moment. The argument is that if a person is helped to appreciate that there are options, and that he/she does not necessarily need to take the usual track, then the next time they are faced with a similar situation, they may pause and reconsider - and encourage their friends and colleagues to do the same.

Integrity Action has developed a number of illustrations of these moments of ethical choice for us to use from a large number of different fields of work. In these illustrations we need to look for key moments in which an integrity alternative might be available.

Key moments to watch out for in analysing integrity or ethical challenges

- Moments in which people are repeating the common assumptions about corruption as if they are the only possibility
- Moments at which people are behaving in ways that clearly are corrupt
- Moments at which people are encouraging others to be corrupt, saying that this is in their own self-interest, or that it is the common practice
- Moments in which they reflect on an integrity option

It is important to note that not all 'bad behaviour' is corruption. Other ethical and integrity challenges include maladministration, malfeasance, misconduct, or violations of any of the 4 elements of integrity. When reviewing a case study (in whatever format it may be in), it is important to consider behaviours that are not only outright corruption, but also the other forms of bad behaviour mentioned above.

Let us look at one of these illustrations concerning bribery at school. As you read the story, note down such moments, and then bring these up in the discussion after the presentation, which will ask some searching questions.

Exercise
Identifying Ethical and Integrity Challenges

Choose one of Integrity Action's videos on www.youtube.com/user/integrityaction/playlists under the playlist category of Integrity@Work, School Civics, or Integrity Action Training Films.

As you watch the film, write down the integrity and ethical challenges you observe in the film.

Then share with each other what challenges you found, and make sure there are at least 15. Note that not everything is pure corruption, but also maladministration, misconduct and other inappropriate behaviours.

A Reward for Additional Workload

Original Story written by Dr. Harutyun Aleksanyan. Drama Script written by Lusine Karapetyan

"A Reward for Additional Workload" is a title of the Integrity Action Aga Khan Development Network Civil Society Programme. It includes a series of other comic strip booklets that challenge the reader on the role of ethics and integrity as contributors to success in the conduct of business.

Introduction

Fatima is a doctor working for a several years for City Medical Clinic.

She has a reputation of being a good employee and a professional therapist among Clinic staff and patients. The Clinic's management was changed and a new director Ahmad Hashem decides to change policy related to patients services.

He recommends keeping in touch with patients after treatment in order to help them to recover completely. He invites Fatima to his office and verbally orders her to take over responsibility for this. However this new assignment has not been included in the work contract of Fatima. Fatima can hardly complete all these tasks because of her huge workload. She meets several times with Hashem and concerned about her workload and about additional tasks.

She was repeatedly assured by Hashem that she needs to carry out these additional tasks. A few months later a commission from the Ministry of Health makes an assessment of conditions of the Clinic's patients after retreatment.

The commission finds serious gaps in the work of the Clinic. After getting the Commission report, the director of the Clinic gets furious and finding Fatima's work performance unacceptable, fires her.

Characters

Fatima Avshar - a doctor at the clinic
Ahmad Hashem - director of the clinic
Gezal - Fatima's colleague

You don't have to worry. If there is too much work, we will send someone to help you cope.

FATIMA IS TALKING TO GEZAL, HER COLLEAGUE.

Ahmad Hasem, the new director, wants me to be in charge of the outpatient service.

GEZAL TO FATIMA

You should be pleased. He might increase your salary.

He mentioned nothing about a raise, though this isn't just about money. All these patients at the clinic and the baby at home will hardly leave me any time for this work, too.

Why don't you ask Ahmad to relieve you of some of your duties at the clinic?

Maybe I should.

A FEW DAYS LATER FATIMA RUNS INTO AHMAD HASHEM IN THE ENTRANCE HALL. SHE ASKS HIM,

Mr. Ahmad, could I have a word with you about this new assignment for after-care patients?

AHMAD TO FATIMA

Is there a problem?

As a matter of fact, there is. It's hard to manage all the work at the clinic and the outpatients, too.

AHMAD TO FATIMA

So you should try to better manage your time. What is there to discuss?

I hoped you could either relieve me of part of my duties at the clinic, or allocate an assistant to help with the outpatients.

AHMAD TO FATIMA

Neither of your requests is realistic. We don't have enough specialists to do your work for you, and as for hiring an assistant, the clinic can't afford such extravagance.

What shall I do, then?

AHMAD HASHEM TO FATIMA

Schedule your visits to outpatients after the working hours at the clinic, and work harder. You will manage.

What about my baby son? He needs to be taken care of, too.

AHMAD HASHEM TO FATIMA, LOSING PATIENCE

Your family matters are no concern of the clinic. We are a serious establishment!

A FEW MONTHS PASS. FATIMA IS STILL TOO OVERLOADED. NOT ONLY HAS SHE NO TIME TO VISIT ALL HER OUTPATIENTS, BUT SHE SCARCELY MANAGED TO TREAT HER PATIENTS AT THE CLINIC.

FATIMA IS TALKING TO GEZAL

I am desperate. I am not coping with both my duties in and out of the clinic. And there is no hope that the situation will ever improve.

GEZAL TO FATIMA

There is rumour that we will be having visitors from either the Ministry or some international organization. Let's hope they will help improve the situation.

Let's hope.

INDEED, A COMMISSION FROM THE MINISTRY OF HEALTH SOON VISITS THE CLINIC TO EXAMINE THE QUALITY OF THE MEDICAL SERVICES THEY PROVIDE.

IN THEIR FINAL REPORT THEY STATE THE SHORTCOMINGS OF THE AFTER-CARE SERVICES, NAMELY, THAT NOT ALL THE OUTPATIENTS HAVE BEEN RECEIVING TIMELY MEDICAL ADVICE, MEDICATION OR TREATMENT.

INFURIATED BY THE REPORT, AHMAD HASHEM CALLS FATIMA TO HIS OFFICE.

AHMAD HASHEM TO FATIMA, ANGRILY

You have failed the responsibilities you were trusted with. I wished the world to see our innovative management, but what people saw was our failure.

But, Mr. Ahmad, didn't I warn you that I was not coping with that much work? You said you couldn't help me.

AHMAD TO FATIMA, LOSING PATIENCE

You warned me? In writing? I have no memory of seeing any such paper.

FATIMA TO AHMAD, MORTIFIED

But you... You didn't tell me to apply in writing!

Why would I? What kind of professional are you, if you need to be told simple things?

FATIMA TO AHMAD, AS IF TRYING TO JUSTIFY HERSELF

I approached you several times, with my request.

AHMAD HASHEM TO FATIMA, IRONICALLY

Indeed? What I remember, are some complaints of personal nature.

Those were not some complaints - I was telling you that I had to care for my baby son.

SOMETIME LATER THE MEDICAL PERSONNEL OF THE CLINIC ARE TO BE TESTED FOR CERTIFICATION. AHMAD HASHEM IS THE HEAD OF THE TESTING COMMISSION. HE FINDS FATIMA'S PROFESSIONAL PERFORMANCE UNSATISFACTORY, AND SUGGESTS THAT SHE BE DISMISSED.

Who in the commission cares for your family problems?

AHMAD HASHEM TO FATIMA

We have had quite a number of complaints from the patients that you have failed to provide timely medical services.
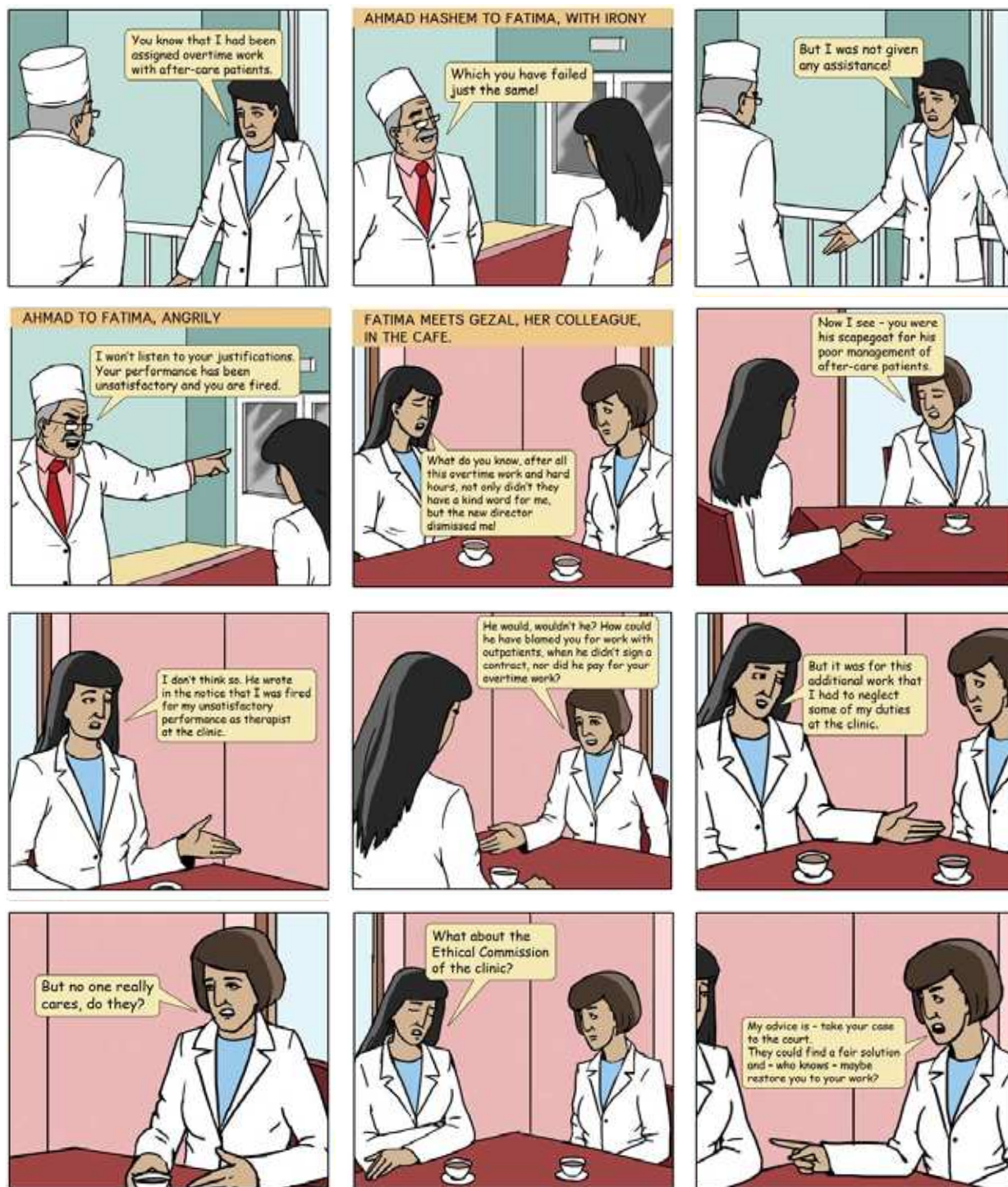
Exercise

1. What would you do in Fatima's place?

   a) Would you refer the case to the court,

   b) Would you refer the case to the Ethical Commission of the clinic,

   c) Would you seek a journalist's assistance and publish on article in your defence.

2. How would the case be resolved at court?

3. Can a verbal order of the clinic's director be viewed as legal agreement?

   Where is the mistake in this episode?

4. What ethical norms have been infringed in the above case?

Chapter 7

What are your options when you are fed up with fighting corruption

Many people have often felt powerless and frustrated when faced with fighting corruption and promoting integrity particularly in the organisation in which they work.

Anti-corruption work consists of identifying corruption and corruptors, prosecuting, sometimes "naming and shaming", and trying to jail corrupt people. It may involve helping to set up anti-corruption institutions, getting laws passed, getting regulations promulgated and implemented. It may involve teaching people about the harm that is done by corruption and seeking their cooperation in defeating it.

Integrity involves promoting the positive aspects and benefits of institutions of integrity and building integrity in them, while giving the corrupt an opportunity to correct their ways, and see the value of a different way of thinking and behaving.

Work to promote integrity, for instance, would involve persuading a contractor that he/she should replace the sub-standard bricks or blocks that were used in building the school, changing the amount of aggregate or the mixture of asphalt in a road, returning the funds that have wrongfully been taken from a district council's budget, or from the sale of drugs intended from free distribution for a health clinic. Anti-corruption would be to show a corrupt person that they are likely to be caught because of the strength of a new law, the rigour of a new set of instructions, the closing of loop-holes previously used. Integrity building would be to persuade a person who has practised corruption, or is likely to practice corruption, that there are good social and ethical reasons why he/she should not do so, and that his or her accountability, competence, and ethical behaviour leads him or her away from corruption.

In the past those who are dismayed with a lack of progress in fighting corruption have only seen three options in the workplace that they can use:[38]

To "Exit":

i.e. to leave your job, or the context in which you are living - to move yourself out of the environment in which corruption is occurring. Some people might leave a job with the government, and seek to work in the private sector, for instance - or vice versa. The level of corruption might be different in different sectors, or even in a particular government department or company.

To give "Voice":

i.e. to talk about the problem - this means being prepared to stand up and make your opinion known in the hope that you may be able to persuade others. This is possibly a risky option because those who are deep in corruption will not like to have their position discussed. New recruits to the Police Force in Hong Kong were told, many years ago, with respect to endemic police corruption (now a thing of the past): "Get on the bus, run beside the bus, but do not get in front of the bus or we will run you over".

To be "Loyal":

i.e. to be quiet and ignore the problem - this means recognising what is going on, while not standing up to object to it.

Now Integrity Action suggests a fourth option:

To "Strategise and Organise"

i.e. to find like-minded colleagues who want to work together to help lead the change that you believe is necessary. This means that you need to know what alternatives to the present situation are available, what strategies and tactics can be effective in changing the present situation, and what skills and knowledge you need to present an alternative to (often doubting) colleagues.

We should also recognise that combinations of the above options may also occur. For example, employee may use 'Voice' and start by speaking with a supervisor about the corruption problems. However, if the supervisor is not concerned or promises to take care of it but does nothing, the employee may then choose to 'Exit'.

Exercise

Discussion

What are your options when you are fed up with corruption? What option do you think you might choose

Think of situations at work that might make you consider one of the four options. Discuss these among your co-learners.

From three to four options

Anti-corruption	**Now Integrity-Building**
• To "exit"	• To "strategise and organise"
• To "give voice"	
• To be "loyal"	

---

[38]The following section is an adapted brief description of Albert O. Hirschman's theory of declining organisations, based on Wikipedia's entry on his book. See: en.wikipedia.org/wiki/Albert_O._Hirschman and en.wikipedia.org/wiki/Exit,_Voice,_and_Loyalty; "Exit, Voice and Loyalty - responses to decline in Firms, Organisations, States" by Albert O. Hirschman. Harvard University Press. 1970.
More can be found in Module 3, Chapter 4.

The evolution of integrity work on the world stage

Integrity Action is well aware of the different ways in which corruption has been addressed at international and national levels, but does not feel that there has been enough attention given to the ways in which citizens can address and lead with integrity - with citizens taking up the challenge of building integrity and integrity systems as a way of fighting corruption.

Let us look at the anti-corruption movement over time.

Phase 1

Breaking the taboo, and making the case for reform

Before 1986 the World Bank did not allow the use of the word "corruption", and many other organisations took their lead from it. In the mid-80s the World Bank stopped ignoring corruption as a cause of bad development, recognised it as a major problem, made the case for reform, and informed the governments of the world that corruption would be an issue in deciding who got international aid. Many governments followed suit.

Phase 2

Setting international standardsm

In the period 1996 to 2003 a number of international conventions and standards were accepted and governments mostly signed up to them, establishing new legal norms to fight against corruption.

Figure 4: First 2 phases of anti-corruption development, leading towards the 3rd

Evolution of Anti-Corruption

Phase 1
Breaking the taboo - the case for reform

Phase 2
Setting international standards

1986 - 1995   1996 - 2003   2003 - 2010   2011 - ?
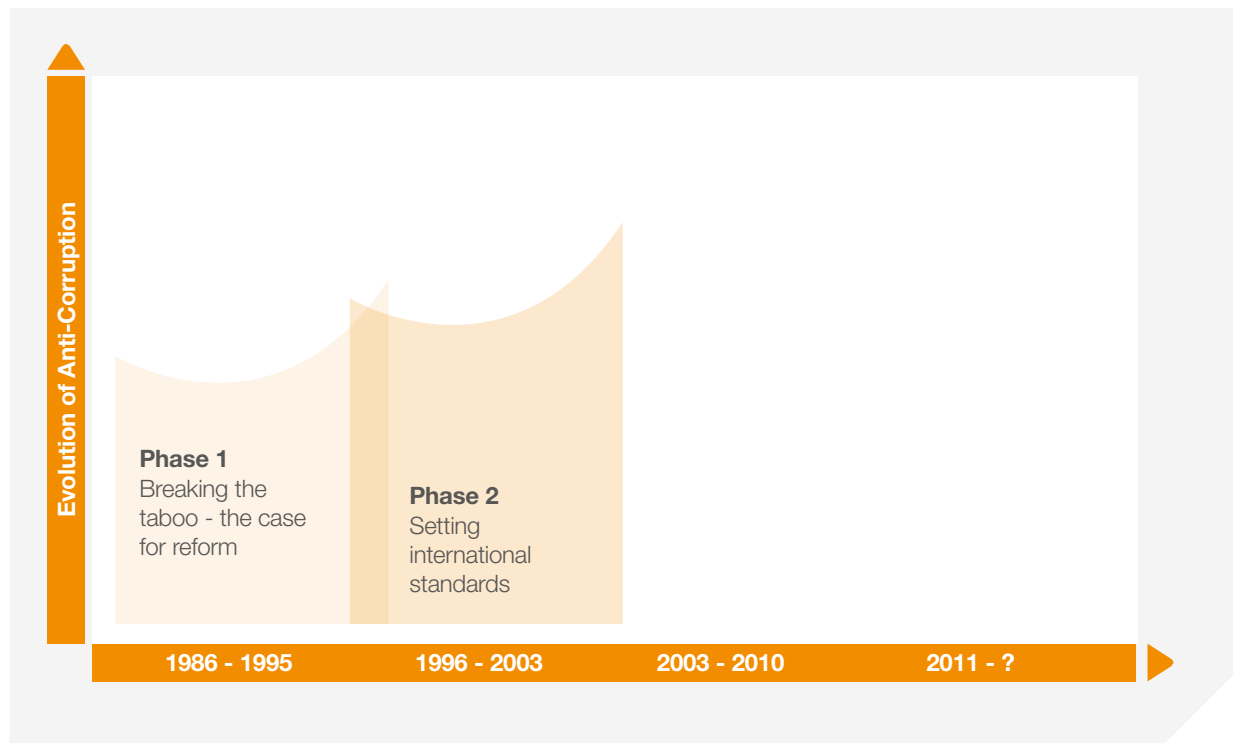
Phase 3

Enforcement and implementation

Many countries interpreted the international laws and conventions as suggestions for them to set up new laws and regulations to control corruption, including many anti-corruption commissions. The basic context was new laws against corruption, the implementation of them, mobilising the police and the legal and judicial systems to catch corrupt people, prosecute them and ensure they were sent to jail. A frequent problem was that the police, legal and judicial systems were also corrupt, and impunity was widespread, with many corrupt people escaping prosecution or pardoned.

Integrity Action (previously known as Tiri - Making Integrity Work) was born in 2003 by two former employees of Transparency International, Jeremy Pope and Fredrik Galtung, who felt that awareness raising was not enough, but that people and communities needed to take action. They felt that the lack of success in anti-corruption work required a different approach if the efforts were to be successful.

Figure 5: The 3rd phase of anti-corruption development focused on implementation of the new standards and their enforcement
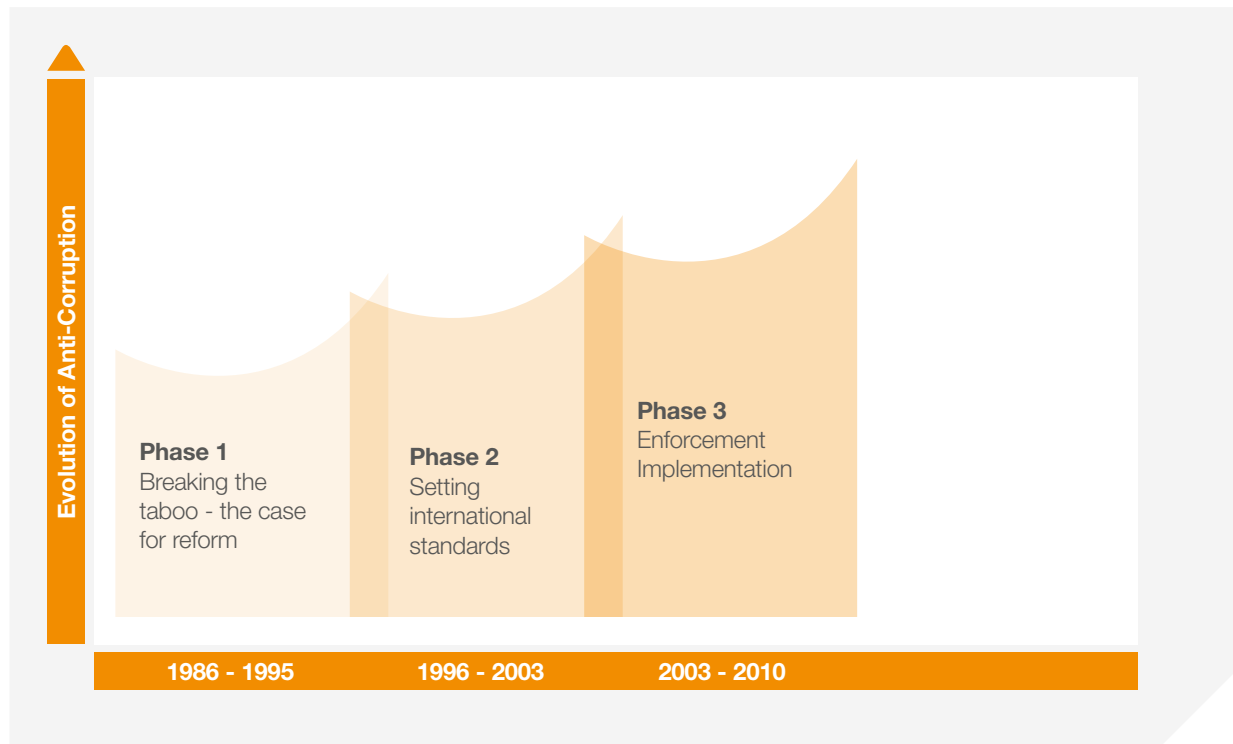
Phase 4

Pro-integrity and citizen-led efforts

This is the current phase and for the future - making a positive movement towards integrity. This phase aims to reward those who are practicing and promoting integrity, clarifying and communicating the benefits of integrity, as well as providing incentives for people to choose integrity. It is also the phase in which the major actor is the citizen. The focus is getting together with other citizens to apply the instruments that they have learned to use for monitoring public projects and services, engaging with service providers who may be involved in some corrupt activities, convincing them to practice integrity and giving them the opportunity to do the right thing. This can be at a national level as well as at the local government level where citizens can be active to promote social accountability.

Figure 6: The 4th phase is no longer an anti-corruption focus, but rather a citizen-led, pro-Integrity movement with greater citizen engagement with public issues and government.
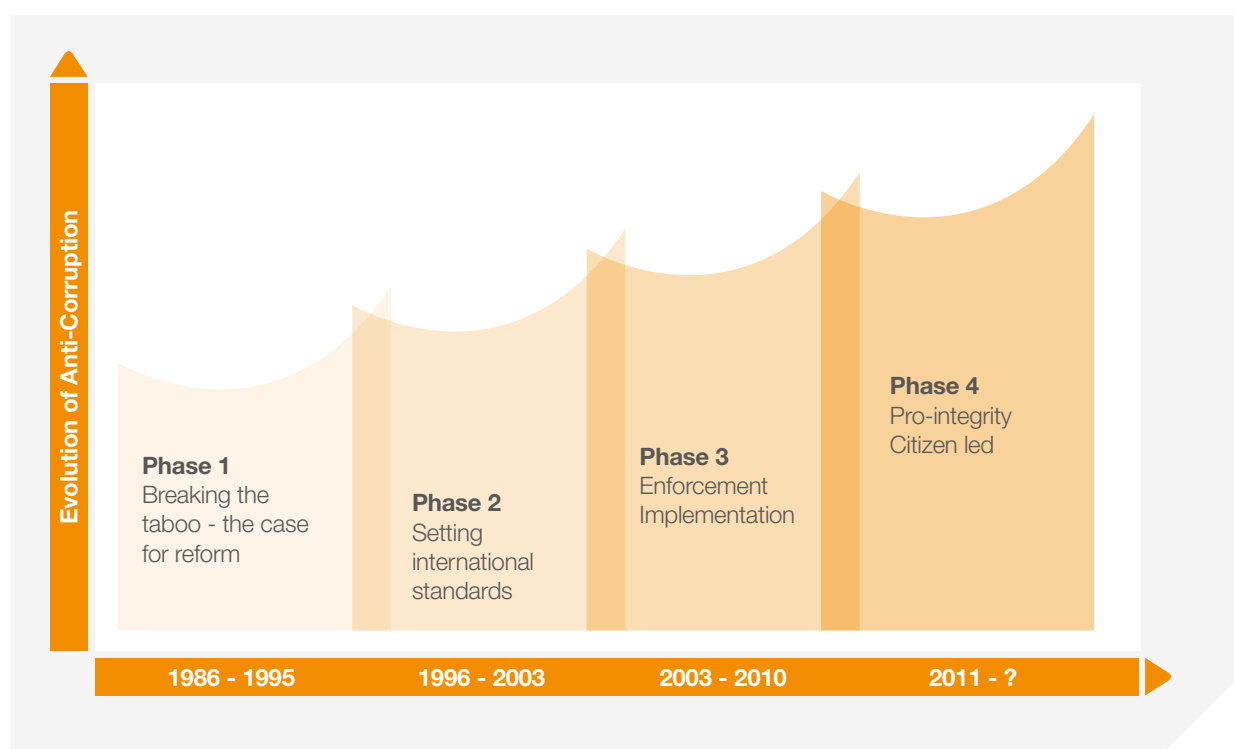
Chapter 8

Helping citizens develop a course of action - The Integrity Lens

We can talk about helping citizens to "freeze" a moment of ethical dilemma in order to decide what course of action they are going to choose. Let us now introduce a tool - **The Integrity Lens** - to help you develop a course of action, based on our previous understanding of integrity as composed of the alignment of Accountability, Competence, and Ethical Behaviour, without corruption/ with corruption controls.

First understand that "integrity" is not an "add-on" to your usual personal or organisational behaviour. It is not "something you do", but rather something which shapes your understanding of how and why you carry out your personal or organisational behaviour as a citizen in a community, as an employee in a company, or as a government functionary.

When thinking about your ethical dilemma, you need to consider each of the options available to you by considering the behaviours of all relevant stakeholders, related to their Accountability, Competence, Ethical Behaviour, and lack of corruption.

The Integrity Lens:

To plan your course of action, consider the 4 components of Integrity: the alignment of Accountability, Competence, and Ethical Behaviour without corruption/with corruption controls. You need to ask yourself questions according to each element of Integrity in order to develop your planned course of action that a) is consistent with integrity, and b) ensures Accountability, Competence and Ethical Behaviour are all aligned and heading towards the goal of greater integrity, without corruption.

Let us review the 4 elements of Integrity, including the sub-elements under each:

Accountability

Ask yourself:

Who are the stakeholders and what are their interests?

Will stakeholders be able to check that we do what we say we do?

Are the stakeholders being accountable? How or how not? If not, is there something I can do to encourage this?

Will my actions ensure:
- transparency,
- access to information,
- consistency of information provision,
- social responsibility, and
- clear record keeping?

Competence

Then ask yourself:

Will my course of action demonstrate standards of performance quality?

Are the other stakeholders working competently? If not, is there something I can do to encourage this?

Do I demonstrate:
- professionalism,
- effectiveness,
- reliability,
- responsiveness, and
- high quality work?

Ethical Behaviour

Then move on to the next element and ask yourself:

Will my conduct in pursuing my goals meet expected standards of honour and public benefit?

Are the other stakeholders behaving ethically? If not, is there something I can do to encourage this?

Will my planned actions demonstrate:

- trustworthiness
- fairness
- honesty
- lawfulness
- commitment to anti-corruption
- social justice
- respecting rights
- confidentiality?

Without corruption/with corruption controls

Finally, move to the next elements and consider:

Will I and other stakeholders be abiding by the procedures and policies that should be in place to make corruption difficult?

Will my planned actions clearly demonstrate:

- clear messages that corruption is unacceptable,
- public behaviour that rejects corruption in ourselves and others,
- support for anti-corruption agencies, procedures and policies, and
- encouragement for integrity champions using integrity tools?

Remember that all the elements of integrity need to be aligned towards the same goal of building integrity, and support the alignment between what one says and what one does.

Now you have to plan your course of action according to the answers to your questions about the elements of integrity. You must consider the behaviour of other stakeholders, and consequently develop a plan that will include, exclude or neutralise them, while ensuring that your behaviour in the action plan meets the standards of integrity on both the personal and the organisational levels.

Let us take an example from business, and an example from community development to illustrate this way of formulating a course of action.

Example
An example from community development

A village wants to put in place a drinking water project that will bring potable water from a faraway spring to a series of standpipes that will make drinking water available for all villages. The outcome is the ready availability of water to all. Seen through the Integrity Lens, the outcome demonstrates accountability, competence, and ethical behaviour aligned towards integrity, with corruption controls. However, let us consider the situation if the Chief orders that a standpipe is placed inside his house. The behaviour to situate the standpipe in his house is not in alignment with competence of standards of drinking water projects, nor in line with fairness as part of ethical behaviour - that all villagers should have equal access. This should cause a review of alternative courses of action.

Example
An example from business

A hospital needs to gain clearance at the customs warehouse for the release of a drugs shipment that is being held there. The outcome is the ready availability of necessary drugs with which to treat patients. Seen through the Integrity Lens, the outcome demonstrates accountability, competence and ethical behaviour that are aligned towards integrity, with corruption controls. However, let us consider the situation if a bribe is paid to secure the timely release of the drugs. An employee might justify this because of the immediate desired outcome. But the behaviour to gain release of the drugs (i.e. a bribe) runs counter to the principle of corruption controls - zero tolerance for corruption. This fact should cause a review of alternative courses of action

Decision making with integrity

Decision making is a test of your personal or your organisation's integrity - whether you are a community leader, politician, government staff member or company employee.

Viewing any given course of action through the Integrity Lens can provide guidance on whether a plan of action follows integrity principles and should be implemented, in terms of:

- continuing with the course of action if the elements of accountability, competence and ethical behaviour without corruption/with corruption controls are present,
- launching an integrity improvement initiative designed to address any integrity gaps

in these four elements (probably jointly with others),

- not continuing, because one (or more) of the elements is lacking and it is unlikely ever to be present for this activity. In this case a new approach is required

Chapter 9

Some important tools for protecting integrity

What is important to remember, is that integrity is a positive, proactive approach, that includes identifying and analysing problems, but mainly focuses on developing solutions and giving 'perpetrators' the opportunities to correct what they have done wrong. Integrity does not rush to 'name and shame', prosecute, and litigate, saving these steps as the last resort, if all else fails.

There are different ways to try and protect those who are advocating integrity, and to protect integrity itself. None of them will be simple, and many of them will require alliances and networks of like-minded people.

Some important mechanisms for protecting integrity

1. Due diligence
2. Risk assessment
3. Human Resource policies and guidelines
4. Communications
5. ICT (Information and Communications Technology)
6. Collective action
7. Compliance framework
8. Complaint mechanisms
9. Citizen participation
10. Integrity/Ethical consultation
11. Structures for citizen - government collaboration
12. Integrity as a differentiating factor
13. Legal and legislative environment

Following is a more detailed description of this selection of tools that should be helpful:

Due diligence - Make sure the rules and procedures are being followed.

Problems: The pro-integrity group may not have done its homework, may be taking the situation at face value, when it is more complicated than it seems.

Responses: Make sure that rules and procedures are known and followed and that this can be proven.

Risk assessment - What are the personal and organisational risks in this case?

Problems: You may be faced with a powerful opponent who is too strong for you.

Responses: Look for allies and networks to increase your strength, or make sure that your opponent knows that you have the law on your side and will not give up.

Human Resource policies and guidelines - Are incentives for integrity built into the procedures?

Problems: Persons in senior positions may justify bypassing procedures to suit his/her own needs.

Responses: Demonstrate transparent and fair hiring procedures based on merit; discuss and review codes of conduct and ethics; ensure messages regarding the strengthening of integrity within the organisation are openly stated and senior leaders model behaviour with integrity; include policy incentives such as recognising an employee's integrity within the organisation and in performance reviews, in consideration for promotions or salary raises; and engage employees in organisational committees and decision-making for transparency and accountability.

Communication - Make sure all employees and other stakeholders are aware of the integrity policies and procedures at all levels of the organisation.

Problems: Your pro-integrity group may not have the skills or access to inform all stakeholders of the situation.

Responses: Learn such skills - particularly using Information and Communications Technologies (ICTs), like texting (SMS) - but do not forget non-ICT methods, like systematic meetings for dialogue with staff/employees.

Information and Communication Technologies (ICTs) - ICTs can document and store powerful evidence.

Problems: Setting up an ICT network that can translate information into evidence.

Responses: Take advice and technological assistance from others.

Collective action - Gathering like-minded individuals to work together to make sure that your opponents appreciate the strength of public opinion on your side and readiness for collective action.

Problems: Confrontation may well be a dangerous and self-defeating tactic.

Responses: Use constructive engagement whereby your opponent realises the power of broad public opinion against his/her position, and also assess the position of your opponents and his/her superiors.

Compliance framework - Ensure the organisation has a full compliance platform that includes legislation, policies, procedures, rules and regulations that employees must follow.

Problems: If compliance mechanisms are not enforced, they are essentially useful.

Responses: Include training on the compliance framework as part of the induction for all new employees, and continue to review them periodically for all staff. Monitor compliance and discuss even minor problems to deliver a clear message that corruption and other forms of maladministration or misconduct will not be tolerated.

Complaint mechanisms - Use legitimate avenues to present your case and seek its acceptance.

Problems: Seeking clear understanding of the existing mechanisms and how to use them, particularly complaints mechanisms, may not be straightforward.

Responses: Expect and prepare for attacks on your methods, not just your results.

Citizen participation - Learn citizens' entitlements and how to get them implemented.

Problems: Many people do not know their entitlements, and how to access them.

Responses: A strong civic education campaign and strong structures for monitoring ways in which entitlements are ignored or withheld, and presenting the evidence from such monitoring are effective means of realising one's rights.

Integrity/Ethical consultation - Provide a person within the organisation (or unit, depending upon size) who is trained in integrity, to help employees confidentially discuss integrity or ethical challenges and work towards an integrity-based solution.

Problems: Employees may not trust that confidentiality will be maintained by the integrity consultant.

Responses: Try to build trust in the integrity consultant, and demonstrate that he/she is worthy of that trust. This will encourage employees to use this service in formulating solutions to the challenges they may be facing at the workplace.

Structures for citizen - government collaboration - Learn what each side needs and wants and how to build trust in these discussions.

Problems: Government may not recognise the benefits of citizen engagement, or may assume that it has the responsibility to mobilise the citizens on the government's agenda.

Responses: Make sure that forums exist for discussion in which such issues can be taken up, and all parties can openly express their positions in a mutually respectful manner.

Integrity as a differentiating factor - Establish an award or set a standard that is reviewed regularly to ensure that an organisation that says it works with integrity actually does so. The organisation can become recognised as working with integrity and thereby preferred over those without a recognised standard of integrity operation.

Problems: Some organisations may only say they follow integrity, but they actually do not.

Responses: Encourage organisations to include Integrity in their values statements, if they do work according to integrity principles, and periodically review their actions to corroborate this. They may be recommended for preference in government or other tenders, since working with integrity also means funds are spent according to contract, budget, quantities specifications, etc., and not lost to corruption.

Legal and legislative environments - If all else fails, take (or threaten to take) a case to court.

Problems: The justice system may be compromised by a corrupt judiciary.

Responses: Find independent lawyers to help you, whose involvement will cause corrupt judges to think twice.

Involve the media (radio, newspapers, and social networks) so that all realise the importance of the case.

Clarify that an issue is important, and will be dealt with at the appropriate (high) level of the justice system - raise the stakes so that the issues are taken seriously.

Exercise

Discussion in plenary

Ask the participants to suggest a field of development activity with which they are familiar. Get a number of suggestions and choose one that resonates with the largest number of people. Ask them to consider possible ways in which corruption can occur in this field, and name a corrupt activity.

Ask them to consider in the case of this particular activity some of the 13 ways listed above in which it can be protected - by suggesting the use of one of the 13 ways; asking whether there might be a reaction to this from those practising the corrupt behaviour; suggesting how that reaction can be countered; and in general what other tactics can be used to push the activity forward.

Finally ask the participants how realistic they think this is.

Chapter 10

Exercise for protecting integrity

Exercise
Homework

This exercise takes place as homework during the week until the next module is taught. Participants must be prepared to argue their strategy to protect integrity in the next plenary, and the other participants in the plenary must vote as to whether they consider the strategy to be effective.

Participants pair off and in collaboration write down the important rules and regulations that govern the community or organisation of which they are members, and which they consider to be important and potentially vulnerable to corruption. This may be entry conditions and fees for a university, entitlements and taxes for ordinary citizens, employment conditions for hiring and firing, government regulations for consultation with citizens, etc.

Together the pairs consider how they can monitor that these rules and regulations are being observed and implemented, or, if they consider that these rules and regulations are wrong, how they can be challenged.

Then they consider what might be the response of those responsible for the rules and regulations to such monitoring - positive or negative.

Then they consider what could be their response to that response - either endorsing or challenging, and whether they consider that the rules and regulations will be upheld.

Here are some examples:

Example
University

Graduation from the university and academic grades required to earn graduation are on the basis of examinations and assessments from the professors. It is possible that such marks are, and graduation is, susceptible to bribery. Monitoring integrity could happen through making sure that marking is done by people unconnected to the university, and on the basis of numbers rather than names, with the possibility of an appeals system if misconduct is suspected. University professors may well object to this as they might lose corrupt income, and be under suspicion. Counter measures to these objections may come from appealing to the university administration that such integrity measures will enhance the reputation of his/her university, and pointing out that these accusations are realistic by placing some investigative journalism pieces in the newspapers.

Example
Village life

A village receives a block grant from central government for construction of a primary school. The building of that school will be let out to tender and a contractor employed by the local council on the basis of the bid. Based on their past experience villagers are concerned that the contract will not be implemented properly. Monitoring integrity could come from the community (or a monitoring committee from the community) regularly checking the building site and making sure that the building is carried out according to the plans and bill of quantities. The contractor may not want to allow the citizens to see the bill of quantities, which would hamper their ability to monitor the project. The community can document previous examples of poorly built infrastructure on the basis of insufficient or poor quality materials, and show this to the local council as being evidence that monitoring is important. The community could also persuade the contractor to employ labourers from within the community.

Choose examples that you are familiar with, and that you can discuss with colleagues who know the background.

Conclusion

Moral values and ethical principles are an essential component of integrity, but are not sufficient in themselves to demonstrate full integrity or to bring about change. Building ethical competence with applied skills is one of the critical elements in building integrity and integrity champions. This involves the capacity to identify and analyse integrity challenges and identify the ethical considerations. It is also about being clear about the accountability requirements to a wide range of different stakeholders and have knowledge of the legal, legislative and organisational frameworks into which these problems fall. Finally, it also means having the commitment, confidence, and will to make a moral choice and undertake the responsible actions to address these issues, without corruption.

Section 2   Integrity

Module 3
Personal Integrity

Section 3 Personal Integrity

Purpose of this module

The purpose of this module is to introduce you to the concept of personal integrity, while realising that, for many people, the place that they are starting from is a desire to fight corruption.

At the end of the day a person's behaviour is dependent on their choice of how they will behave - and this is true in matters of integrity or corruption. He/she may be under tremendous pressure to act in one way or another, or, alternatively, be under no pressure because it is assumed that a person will behave like all the others around them.

The kinds of choices will vary depending on the norms of the country in which the person is living - in some countries social pressures will steer them towards integrity (with a few exceptions), in other countries social pressures are likely to steer them towards corruption. But at the end of the day, a person must take responsibility for his/her own actions.

This module starts with a recapitulation of integrity as it is understood by Integrity Action using examples from the world of micro-finance, followed by an examination of "choice" and what it means - using the example of paying tax. After that, the module imagines a spectrum of integrity

from high integrity to low integrity, and examines choice at different positions on that spectrum. At the high end it looks particularly at business fraud; at the low end it looks at the reality of poor people's options concerning their choice of behaviour, and how these options are very limited.

Following this, the module looks at two different attempts to explain why people choose corruption over integrity - the first is Robert Klitgaard's theory of incentives; and the second is Tom Tyler's theory of legitimacy. Finally the module brings the conversation down to practical possibilities and shows Integrity Action's supplements to Hirschman's theories of exit, voice, and loyalty, and the ways that this can be implemented in communities through the process of Community Integrity Building.

This module contains examples and exercises, but will only be powerful if it is strongly infused with examples from the lives of those who are learning the module. It is important to make sure that this module is realistic and corresponds with the real world from which the participants are drawn.

Chapter 1

Understanding integrity

This module is about the ways that a person, when there is a dilemma or a choice, decides to behave with integrity rather than take the other path of corruption. By "dilemma" we mean a situation in which a person is faced with a choice and decides to act in one way rather than another - for instance, he/she has the option of declaring their full income for a tax assessment, or the option of hiding some part of it in order to pay less tax. Another dilemma might be that he/she has the option of making an extra payment to a government official to expedite a service, or the option of paying the stated price, and allowing normal service to be delivered. An integrity dilemma is one in which some choices encourage behaviour of integrity, and some choices encourage the opposite.

Before we look more closely at how and why people make choices and decide on their behaviour in an integrity dilemma, let us clarify integrity, and remind ourselves of the constituent elements of integrity, as it has been defined in previous modules.

Integrity is defined as the alignment of Accountability, Competence, and Ethical behaviour without corruption (or with corruption control measures in place). We are therefore looking at the why and the how people choose to behave with integrity - or choose to behave without Accountability, without Competence, or without Ethics - and likely with corruption. People can choose to behave

corruptly, or they can choose to behave with integrity. We need to remember, however, that Integrity is not just the absence of corruption - it is the presence of the alignment of Accountability, Competence and Ethics without corruption.

As we have said before, all four elements are required, and integrity cannot exist if one of them is missing. To illustrate this, let us look at some examples from the world of micro-finance, which offers plenty of opportunities to demonstrate all four elements of integrity through the choices of an individual manager.

- **Accountability:** This means being willing to allow all legitimate stakeholders to check that the manager is doing what the manager says he/she is doing and that the manager is open to inspection. If the manager of a micro-finance organisation refuses to open up its books to legitimate enquiry, we can say that, as an individual he/she is not being accountable and therefore fails the test of exhibiting personal Integrity. This also results in the organisation being identified as unaccountable.

- **Competence:** This is about a balance of managerial and technical skills. If the manager of a micro-finance organisation whose mission is to make small loans to poor people, lends money to anyone who asks to

borrow without checking on their background, we can say that the manager is not being competent about implementing the organisation's mission. The organisation has certain standards for the ways that it works which determine its mission, and if the manager chooses not to behave according to the organisation's self-proclaimed standards, he/she is not being competent, and thus fails the test of exhibiting Integrity.

- **Ethical behaviour:** This is about behaving in compliance with a set or system of principles. If the manager of a micro-finance organisation with the mission of making small loans to poor people without exception, refuses to lend money to an individual because he/she comes from a particular tribe or ethnic group, then that manager is not acting ethically. Even if he/she is working competently, but not ethically, then the manager fails the test of exhibiting Integrity.

- **Without corruption/with corruption controls:** This is about a manager of an organisation taking on the due diligence that is required to make sure that corruption does not take place, and is unlikely to take place. A manager of a micro-finance organisation which does not undertake independent audits, does not make spot checks of the "cash-in-hand", and does not enforce the rules of proper work practices, then this manager is not using corruption control mechanisms, and would fail the test of exhibiting Integrity.

It can be seen, therefore, that integrity is not just the absence of corruption within an organisation, it is a collection of personal attributes that helps to build a world of accountability, competence, and ethical behaviour with due attention to using mechanisms that make corruption difficult. An organisation is only demonstrating integrity if the people in that organisation make decisions according to integrity principles. If not, then it is due to the individual decision-makers that the organisation is one that is not known for its integrity. There are always options and choices for people to make, and they all have consequences.

Let us look at some other examples - for instance, **what are the elements of integrity in a university?**

- **Accountability**: The university must be open about how marks are scored, how scores are totalled, and how totals lead to judgements about the students' work and decisions for the students attending that university. But who is actually making the decisions about how the university is to operate? Is it the administrators who make the policies, and for teachers to implement them?

- **Competence**: The university which claims to be teaching to a certain standard must be able to show that it keeps to those standards in terms of the teachers, the textbooks, the classrooms, the computers, and any other features which allow good quality education to take place. The competence can only be judged based on the actions of the people who make the decisions and choices within a university, which includes the administrators, the teachers, the other employees and the students. The sum of decisions made by all the people in the institution will determine whether the university offers a high-quality education or not.

- **Ethical behaviour:** The university may claim to be available to all people whatever their gender, their ethnic origins, or their physical ability. It should be able to show that women and the physically disabled are given the same chances as men and the physically able, and that it does not discriminate about origin. But again, ask whether all the individuals within the university make decisions. The institution's degree of integrity is determined by the decision-makers within. Who should be involved?

- **Without corruption/with corruption controls:** The university is aware of the possibility of copying or plagiarism by students, or of favouritism or bribery by faculty and has put into place measures which limit these. It is the decision-making of the people within the institution that determines whether measures are sufficient and effective.

Exercise

Group task

As an exercise, let us take the example of a hotel. Its mission is to provide a good service to paying guests. If possible get everyone in the classroom to agree on a particular hotel known to all. Divide into four groups and provide each of the groups with the task of researching one of the four elements of Accountability, Competence, Ethical behaviour or corruption control in this hotel by gathering information from managers and employees. If it is difficult to have one common experience of a hotel, then choose one and ask the participants to visit the hotel and seek this information before the next class.

Ask the participants to list both the elements of integrity by which it can prove that it is an establishment of integrity, and also the opposite of those, which show that the hotel is not an organisation of Integrity. Ask each group to make their presentations in plenary and then discuss the findings that are presented, finally seeking to get consensus as to whether the participants think that the hotel functions with Integrity.

Chapter 2

Understanding choice and the integrity spectrum

When faced with an integrity dilemma a person is faced with a choice - should the person take up one behaviour or another behaviour? Often the person will look around in order to see how others are behaving in the situation, but the important word is "choice", and the person, in the final analysis, is responsible for making such a choice themselves. It is often difficult, particularly if there is pressure on someone to make a particular choice, but at the end of the day, the person has to live with the choice that he/she has made.

No actions that a person takes are automatic or pre-ordained, although sometimes they seem so. All people are faced with ethical or integrity choices in their personal and professional lives - should they act in this way or that - should they behave as others do, or should they behave differently from the crowd - should they give into temptation, or should they hold themselves to the standards that they have learnt from their parents, their religious leaders, or the law? What we learn from

psychology is that every time a choice is made, it predisposes us to make that same choice the next time we are presented with a similar situation. We are more inclined to behave in the same way as we did last time, every time we are faced with an integrity dilemma. It therefore is important that we choose consciously, and we choose with clear understanding of the implications of that choice. Integrity Action thinks that a deliberate choice of action, informed by the understanding of Accountability, Competence, Ethical behaviour, and the control of corruption is likely to lead to an action of integrity and to build integrity in a person - and then possibly a community, a business, an institution, or a country.

We do not always consider each of our actions carefully to assess whether there are likely to be actions of integrity or not. But many times we are faced with opportunities to be corrupt that we do not pay enough attention to, and thus fall into behaviour which is corrupt (and which is likely to encourage us to act corruptly the next time).

We can always find excuses to deflect our personal responsibility for our own behaviour, and in many cases (depending on where we live and what we do) our failings will be unimportant. Each action of a person, however, has the potential to build integrity or to reduce integrity. So, if we take some office supplies home from work for personal use at home, then, depending on our office, and depending on its resources, it is possible that no-one will notice, and no-one will care. If, however, we are working in a government primary or secondary school which is likely to have a very restricted budget, the loss of office supplies may be something to be concerned about - it means fewer of the precious supplies are available to the students and faculty. The behaviour which may seem insignificant is still stealing from the office and thus has to be reconsidered, as does the situation with the government school. We have to deliberately think of the implications of an action that might seem less important in another context, but is still not more legitimate. A person who helps us to think this through, or a manual that clarifies for us what is allowed and what is not, helps us to build integrity.

We need to understand what behaviours are likely to be a problem - and which need to be thought about and considered carefully. Sometimes we do not pay enough attention to possible ethical dilemmas. While we may be regularly faced with ethical dilemmas (should we take supplies from the office?), we may be unaware of them since the situation may seem obvious and uncontroversial. By default we may do what other people are doing, because it does not seem to be a dilemma. It is likely, however, that the circumstances in which we live, the pressures that we come under from time to time, and the frame of mind that we have (a product of our upbringing, our religion, and our traditions) will bring us into situations of ethical and integrity dilemmas where we have to consider what action we should take (should we borrow some money from the petty cash for the weekend?).

People operate in a large number of contexts, and for us to understand what personal choice means in terms of integrity, it is important to try and understand the range of different circumstances that people find themselves in. This range of circumstances is huge, and we need to get some sort of overview of this to understand how these circumstances lead people to make different choices, or perhaps not to make any deliberate choices at all - but just do the same as everyone else.

On the one extreme is a situation where a person lives in a social or work environment where corruption is rare, where most of his/her social contacts or workmates obey the existing laws, rules and regulations, and where the societal norms are to respect the law, respect the regulations, and behave in an ethical fashion. There will still be occasions for ethical dilemmas, but by and large integrity is the norm.

On the other extreme is a situation where a person lives in a social or work environment where corruption is the norm, where most of the person's social and professional contacts are regularly involved in corrupt behaviour, and where, although the laws and regulations exist and are known, they are broken with impunity, and without very much criticism from a person's peers.

Although we can suggest two extremes, personal integrity, as it is played out in real life, occurs on a continuum - somewhere on a line or spectrum between these two extremes. There will never be a situation in which, with the right set of pressures, a person is not tempted to behave unethically or without integrity. There will never be a situation in which a person cannot make a decision in favour of integrity if he/she wants to. We have to understand what are the factors involved and in what circumstances people might behave differently from the norms of the society in which they find themselves.

Let us take an example which affects nearly all of us - income tax. On one end of the spectrum is a situation where the state is so confident that people will behave with integrity, that they allow a citizen of that state to make a voluntary declaration of their income in the knowledge that they will be taxed on the basis of what they have voluntarily declared. This operates on the basis of a very high expectation of honesty in people's tax declarations.[39]

At that end of the spectrum we have people and organisations voluntarily declaring their taxes in the expectation that they will be taxed fairly. A little bit further down that spectrum there will be firms that are hiring accountants to find out ways in which the law allows you to avoid paying taxes - this is called tax avoidance and is where specialised knowledge can provide you with information about loopholes which allow you to avoid paying as much tax as others.

A little bit further down the spectrum will be people or organisations who are paying accountants to fraudulently represent their tax affairs to the tax authorities. This is illegal and has the possibility of prosecution if detected.

Still further down the spectrum there will be people who are paying bribes to tax inspectors to falsify their tax returns for them (or to knowingly accept falsified tax returns). Somewhere right to the farthest end of the spectrum are people who have never paid tax, who are unaware of the value to the country of income gained by receiving taxes paid by citizens, and who would probably demonstrate vociferously if the idea of extending the tax base to include them was advanced. They probably do not have a legitimate income which could be declared even if they decided to do so, and many of them would object to paying taxes to what they consider a corrupt government which will use such income for purposes unhelpful to them.

---

[39]Many will be suspicious that people will only declare a small amount so that they are only taxed on that small amount. Most people say that what keeps the system honest is the knowledge that declarations are, from time to time, inspected, and that a person would, if discovered, be liable for prosecution. Malcolm Gladwell, in his book "David and Goliath" has, however, argued against this: "In the United States, a little over 1% of tax returns are audited every year. That is tiny, and if they get caught underreporting their income, the most common penalty is simply paying back taxes plus a relatively modest fine". His explanation for people acting with integrity is that "people think the system is legitimate" and therefore should be followed. We shall discuss this further in Chapter 7 of this section.

For the person at each place on this spectrum Figure 11, his/her choice of behaviour may or may not be thought about, and may or may not be the result of due consideration. It may well be that this person's choice of action is almost automatic because "that's what others are doing", and what he/she is accustomed to do, without thinking.

Figure 11: The spectrum of behaviour in paying tax

Most Integrity				Least Integrity
Voluntary disclosure of taxes	Hiring lawyers or accountants for legal tax avoidance	Hiring lawyers or accountants for illegal tax evasion	Bribing tax inspectors to falsify the tax declarations or weaken tax demands	Never paid tax, income is illegal, see no purpose in paying tax

People are faced with very different kinds of moral dilemmas, and people approach them differently. Let us take the simple example of a person wanting to photocopy some personal documents with access to a photocopier in their office. A person who has very high standards of integrity may feel that there is only one possible course of action - which is to only photocopy personal documents outside the office, or to pay for the cost of photocopying in the office. Another person would not think twice about photocopying such documents providing they are limited. A third person would be concerned that they were not caught doing this, and would ask a friend to keep watch for them. For many people they would be operating in a situation in which it would not take much to tip them from acting with integrity to its opposite.

At the other end of the integrity spectrum may be an employee of the land registry in a country of rampant corruption who is accustomed to take bribes (i.e. illegal overpayments of fees) to register the title for someone's land. That person may decide not to insist on a bribe when he is dealing with an old widow who is very poor. He chooses to modify his accustomed behaviour in the case of need and charitable behaviour. He is operating in a situation where it would not take much to tip him from acting with corruption to its opposite.

A person, in whatever situation they are in, is faced with a choice: In a situation where the norm is integrity, the choice may be to behave with less integrity. In a situation where the norm is little integrity, the choice may be to behave with more integrity. The important point to emphasise is that choice is involved, and that every time a choice is made and an action follows that choice, a person is setting themselves up to make the same choice when the same circumstances occur.

Exercise

Homework

The task for the learners is to understand more about the tax paying behaviour of people in their country. What are the opportunities or constraints for people in your country to decide how much tax they are going to pay? To what extent do people think about the amount they will pay? What people do not pay any tax, and why? What are the common behaviours of people who want to reduce the amount of tax they pay? What are the consequences of many people not paying taxes?

Learners should: (a) research the situation from books or online, (b) visit the local tax office and ask for information, (c) talk to their peers or other people that they know about their tax paying behaviour. The participants will be asked to present their findings to the class in plenary and discuss them.

Chapter 3

Choice at the high end of the integrity spectrum

As we have said, choice over personal integrity will always exist, even if a person is living in a context in which integrity is the norm. There will always be opportunities for people to do things that normally they would not consider.

Example

Personal

A law abiding woman may find herself in a very difficult situation because of some personal or social calamity - perhaps her husband has died and she does not have any income, perhaps she has been sick and cannot earn for herself, perhaps she has been the victim of a robbery or a fire, and has lost many of her possessions. Under these circumstances she may be tempted to shoplift, i.e. steal from a supermarket. She may agonise over doing this and finally decide not to, although she was tempted. She may, on the other hand, persuade herself that it is acceptable for her to do this and finally shoplift.

The kind of excuses that she has created to satisfy herself about doing something that is out of the norm for her life, and out of the norm of her society, might be:

a. I am in a very difficult situation and I have to do something to help myself (PRESSURE)

b. I am unlikely to be caught, and it is very easy to steal something (OPPORTUNITY)

c. The shop will not miss what I am taking and anyhow they are making millions (RATIONALISATION)

Research shows that the behaviour, which is at first so difficult for her to accept, will become easier each time it is committed.

Example

Work related

"A CEO develops a new business plan. Unfortunately, the plan fails miserably, and sales plummet. Having just suffered through two previous bad quarters, the CEO is afraid that this latest disaster will cost him his job. Unable to face the shareholders, and the Board of Directors and tell them the bad news, the CEO persuades the Chief Financial Officer to help him create fictitious sales to mask the losses. The CEO is convinced that they can increase sales and correct the books next quarter."

"A bank teller desires prestigious symbols such as a nice car, high quality clothes, jewellery etc., but she cannot afford them on her salary. Because she cannot legitimately obtain these items, and because she is not willing to "settle" for less expensive counterparts, she begins stealing from her cash drawer to purchase these status symbols."

Joseph Wells in his book "Occupational Fraud Abuse" has introduced us to a very useful tool to help us understand a loss of integrity in situations where integrity is the norm. This is called "The Cressey Fraud Triangle" (invented by criminologist Dr Donald Cressey) which helps us to understand why employees commit fraud.[40]

"Most people who commit fraud (i.e. lose their integrity) are not career criminals. The vast majority are trusted employees who have no criminal history and do not consider themselves to be lawbreakers. Dr Cressey considers them to be "trust violators", i.e. people who violate the trust we have in them. In the context of a society where the norms are of integrity, he suggests that there have to be three factors present at the same time for a person to commit fraud. They are:

Opportunity: The person must see some way that he or she can use or abuse his or her position of trust to solve the financial problem with a low perceived risk of getting caught, and that this will be able to be done in secret. For example, it may be a lax policy related to checking organisational financial transactions, so the person can steal and cash cheques without being found out,

Rationalisation: Because the fraudster does not see himself/herself as a criminal, he/she must justify the crime in a way that makes it an acceptable or justifiable act. Common rationalisations include the following: "I was only borrowing the money", "I was entitled to the money", "I had to steal to provide for my family", "I was underpaid/my employer had cheated me", "my employer is dishonest to others and deserves to be stolen from", and others.

---

[40]The following paragraphs are taken from "Occupational Fraud Abuse" by Joseph T Wells. Obsidian Publishing Company, 1997
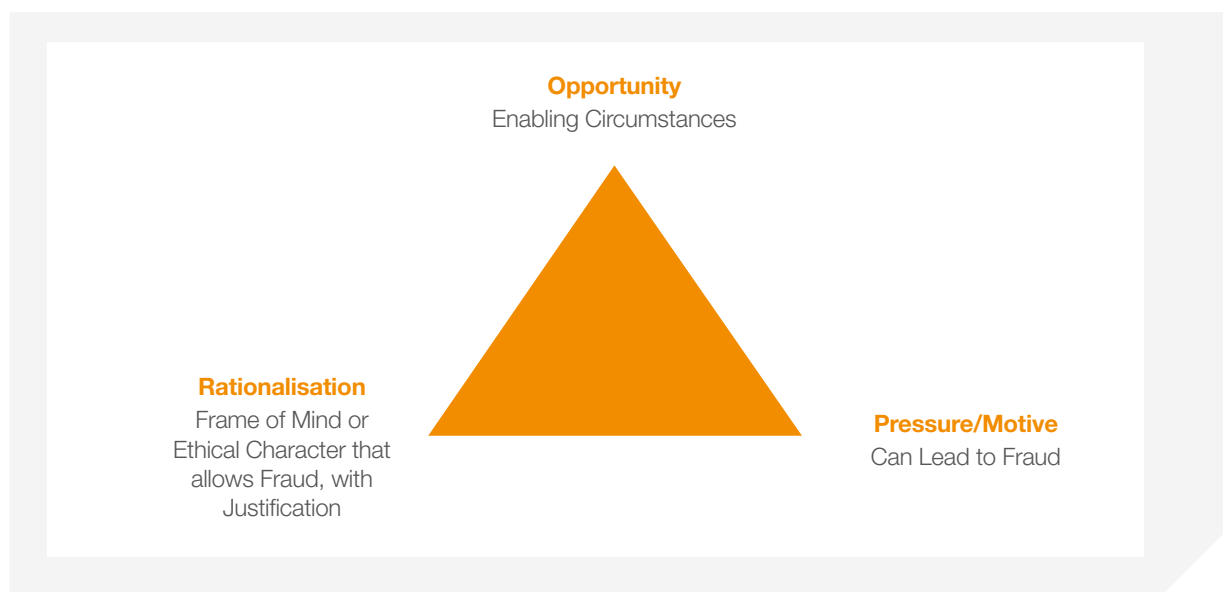
Pressure: The fraudster has some financial problem (personal or professional) that he/she is unable to solve through legitimate means, e.g. inability to pay the bills, drug or gambling addiction, a need to meet earnings to sustain investor confidence, a need to meet productivity targets at work, a desire for status symbols. The important element is that the financial pressures are not shareable with someone else, and they involve embarrassment, shame or possible disgrace.

Cressey suggests that the threat of punishment is not the most powerful tool to deter the kinds of people who he is talking about, because they do not anticipate getting caught, and they do not expect to be prosecuted and face sanctions.

Research on Figure 12. the Cressey Fraud Triangle has shown that if one of the three elements is missing from the situation, then chances for corruption become much reduced.

Figure 12: The Cressey Fraud Triangle - what makes good people do the wrong thing?

Opportunity
Enabling Circumstances

Rationalisation
Frame of Mind or Ethical Character that allows Fraud, with Justification

Pressure/Motive
Can Lead to Fraud

Although we have been talking of choices for people at the high end of the integrity spectrum, and suggesting that there has to be a combination of opportunity, pressure and rationalisation for such people to get involved in fraudulent or corrupt activities, we must also note the lowering of standards of integrity in countries that were previously considered clean. It seems more organisations find it possible to act corruptly, even though this is going against the norm. Whether this is because such cases are now being found out (but were present all along) or whether we have new "corruption entrepreneurs" is not easy to ascertain.

Recent financial crises have revealed, for instance, that many Greeks very rarely pay tax; that banks in Europe have

been guilty of fixing exchange rates; that the number of exposures of food additives and mislabelling has increased. Most people consider that in the developed countries there has been, due to financial crises and austerity, a decrease in the number of official inspection or review institutions, and in their absence, people and organisations have initiated or expanded corrupt and criminal activities.

 Historically the profession of a banker was considered to be honourable and moral - whereas these days, because of an increasing number of scandals in the banking world, people are appreciating that many bankers lack integrity, and are willing to do unethical things if they consider that either the rewards are high enough, or the chances of getting caught are low enough.

Exercise

Group task

Ask learners to collect information during one week to document scandals that have happened in the last year which are a surprise to them because they would not have expected such behaviour from those who perpetrated them. Ask each participant to provide, during the next week, in plenary, examples of these scandals. Then, in plenary ask students to respond to these questions:
1. Are you surprised to hear of these scandals?
2. Why?
3. What do you think has influenced those responsible to behave in this way?

Try to get a consensus position from those in the class for the answers to these questions.

Chapter 4

Choice at the low end of the integrity spectrum

It is difficult to get information about what actually happens in countries where corruption is the norm. Corruption is an "open secret" - meaning that everyone involved with corruption is knowledgeable about it, and can tell you who is paying what to whom, but this is rarely written down.

We do have a unique document. However, which is the Warioba Report on the State of Corruption in Tanzania (Dar es Salaam, December 1996) commissioned by an incoming president, Benjamin Mkapa, and chaired by an ex-Prime Minister, Joseph Warioba. It is one of the few reports that clearly states the reality of corruption for poor people in a poor country. Since then not very much has happened to improve the situation described in this report, but it does provide an inside view of how corruption works in a country with a norm of corruption. The report states:[41]

In relation to education: "Corruption is demanded and given during the registration of children in schools: to enable pupils to pass examinations, to enable students to obtain placements in secondary schools and colleges, transfers, and opportunities to repeat a class. Moreover teachers give bribes in order to be promoted, to be transferred, and to be given placements."

In relation to health: "Patients are forced to offer bribes at hospitals in order to be treated, x-rayed, allocated a bed in the ward or operated upon."

In relation to leadership: "Leaders who are supposed to take important national decisions are bribed by businessmen in order for them to take decisions which are in the interests of those businessmen, interfering in executive decisions like the allocation of land plots in areas not permitted by law."

This document tells us about the results of corruption, but does not tell us how a person living in a context where the norm is corruption thinks or plays his/her part in adding to the corruption. It is difficult to get such information because corrupt behaviour is nearly always kept secret. A source of such information is "The Corruption Notebooks" published by Global Integrity of Washington DC, which are journalists' contributions to annual studies of corruption in different countries.[42]

Here is a journalist's account from the Cameroon, for a long time a country that was at the bottom of the annual Transparency International Corruption Perception Survey:

"One of Cameroon's busiest highways is the smooth 74 kilometres stretch from Douala, the hub of economic activities, to Limbe, home of the country's lone petroleum refinery. Every day a stream of drivers and passengers encounter several police and gendarme checkpoints.

The official purpose of the men in uniform is to examine vehicle documents, fight highway crimes, and inspect automobile conditions to ensure vehicle safety. But in practice, the road blocks are there to extort money from people.

The size of the payola depends on the gravity of the "offense" - which includes missing personal identification papers, a missing business permit, or no receipt for having paid customs duties.

(…) These shameful practices are not exclusive to the Douala-Limbe highway. On bumpy rural roads, the experience is even more appalling. Cabs, registered to carry 5 passengers, will squeeze in 8 riders at a time. The drivers of these jalopies are aware of the dangers of this practice, but they are compelled to take the risk in order to make extra money to cover checkpoint bribes."

Here is another journalist's story from Ghana:

"Badiako Asare (not his real name) is one of many rice importers in Ghana with an unwavering drive towards success – by fair means or foul. Opportunity knocked 5 years ago when he met with officials of the Ghana customs, excise and preventative (CEP) service to concoct a scheme that involved cheating the state.

The scheme was simple: He would pay off the CEP officials stationed at Kofibadukrom, a border town in Western Ghana. The officials would permit him to smuggle in rice from neighbouring Cote d'Ivoire. He would evade taxes, thereby increasing his profit margin.

"I wish there was a level playing field for all importers, but if I don't smuggle, someone else would do it anyway. So tell me: why should I miss the opportunity to get more money when even state institutions themselves aid us in making these corrupt deals?" He says as he sipped a cup of tea in his office."

The question is: why is it in countries of low integrity that people feel that it is quite acceptable to bribe, extort, and defraud? Why is it that the constraints in other countries of laws, regulations, rules backed up by common perceptions of acceptable behaviour, do not stick in those countries? Why do people choose to be dishonest, corrupt, and fraudulent?

We will attempt to answer this question in the next section.

---

[41] The paragraphs that follow are quoted from "Global Corruption - money, power, and ethics in the modern world." Lawrence Cockcroft. University of Pennsylvania Press, 2012.

[42] The Corruption Notebooks 2008. Edited by Jonathon Werve and Global Integrity. Global Integrity 2008.

Understanding poverty in an integrity poor country

The exercise is designed to help you more fully understand and empathise with the poor at the bottom of an integrity poor country.

Here is an extract from a fictitious story about poverty in Tanzania which illustrates the kind of choices that people from a very different kind of world have to make, and then reveals the ways in which people have been pushed into such behaviour:[43]

"At 5.00 am Juma is awakened by the cry of "maji" from 10-year-old boy water sellers touring the streets with large disused petrol drums full of water. By 5.15 am his wife, Fatma, is standing in the street, clutching the 100 shilling note and a small tin can in which she will need to bring two litres of water back to the ramshackle hut where she tries to feed her five children, not one of whom is over 13. At 05.30 am her bleary eyed daughter Amina, just 12, empties enough charcoal from a small gunny bag to begin to light a fire. By 6.00 am Fatma has a pot with "ugali" (maize meal porridge) nearly at boiling point on the charcoal fire. But there is not enough charcoal to bring the water to boil by the time Amina and Juma must leave the house to cram into one of the newly privatised buses which run a few hundred yards from their house. Packed with 100 others into a space designed for 50, they cling together, hoping to avoid having their pockets picked, or in Amina's case, her bracelet ripped off.

By 07.00 am they have arrived at Amina's school, where her father hopes to beg for an interview with the headmistress to find whether Amina stands any chance of going to secondary school. He was supposed to be at work by 7.30 but believes that his employer - a building contractor employing 50 others - won't notice his late arrival. In fact the headmistress keeps him waiting for an hour only to indicate that Amina might get a place in secondary school if he can provide 10,000 shillings (US$15) which she will need to pay the headmaster of the school in question. Despondent, he leaves by 9.00 am only to reach the building site where he is working by 9.45 am - his foreman notices his late arrival and says that he will recommend that he is sacked if he doesn't pay him 2,000 shillings. Juma promises to pay him when he receives his 5,000 shillings salary at the end of the month - thereby reducing the proportion he is free to spend to 3,000 shillings.

He staggers through the rest of the working day, deciding to save the 50 shillings bus fare by walking the two miles to the edge of the city where his hut stands in a township of similarly precarious construction. When he arrives home at 6.00 pm, he sees a scene of desolation, as nearly every house in the square half mile in which he lives has been demolished. In tears his wife, children and neighbours relate the arrival of the demolition squad from the city council, whose mayor has decreed that this village of illegitimate "squatters" must be demolished to make way for a "new development". While directing the bulldozers, the Mayor's representative has spoken of land elsewhere where people can be taken the next day by truck in return for a fee of 5,000 shillings per family. Juma, who persuaded his wife to leave their village home in the hills 5 years earlier, doesn't know where to turn.

In this story, no-one has yet paid a bribe, but they are likely to have to, and as regards choice, they do not have many options:

a. Juma must pay a sum of 10,000 shillings to the Headmistress of his girl's primary school for her to bribe the Headmaster of a Secondary School to give a place to Amina.

b. Juma must pay 2,000 to his foreman as an unofficial fine to stop him from recommending him for the sack.

c. Juma must pay 5,000 for a truck ride to a new piece of land to live because his present house has been demolished.

These are the everyday options for someone like Juma to continue his life of poverty. However the choices forced on Juma do not come by chance or by unpleasant individuals. As the book explains, Juma's situation and the choices open to him, have arisen because of much more institutionalised corruption.

1. Water Supply: A shallow well and hand pump installed three years ago intended to supply clean water is no longer in use, as the technician installing it sold a key part of the pump to a builder.

2. Charcoal: The price is high because the charcoal burners who sold it to the traders who brought it into the city, had to pay off the forestry officials who were supposed to be controlling the supply of charcoal.

3. Bus fare: The price is high because the bus company paid a bribe to win the rights to provide service on that route.

4. School admission bribe: The primary school teacher's salary was so low that she cannot live without the extra income from bribes.

Discuss this story in small groups of the participants. Does any part of Juma's experience resonate with your own experience in your country? If it does, please tell the story of something similar from your own experience, and ask your fellow participants if it resonates with them.

What options were available to Juma if he decided that he did not want to pay (or could not pay) the bribes demanded from him? Provide suggestions from your own experience, and discuss them with your colleagues.

[43]Extracted from Chapter 4 "Victims of Corruption", from Lawrence Cockcroft's book "Global corruption - money, power, and ethics in the modern world". 2012. University of Pennsylvania Press. The story gives more anecdotal evidence of the Warioba report.

Chapter 5

A limited answer to why people choose corruption (Klitgaard)

Robert Klitgaard, in his book, "Corrupt cities - a practical guide to cure and prevention", published by the World Bank Institute,[44] suggests that the most important way of approaching the eradication or control of corruption is not by addressing corruption as a problem of individuals breaking the law or violating a trust, but by addressing it as a systemic problem in which there are incentives and disincentives. He suggests that manipulating the incentives is the most likely way to reduce corruption - and introduces an algebraic formula to help us understand this.[45]

Figure 13: Corruption

Corruption (C) = Monopoly power (M) plus Discretion (D) minus Accountability (A), or

$$C = M + D - A$$

Monopoly power means that a person has the right to make a decision on their own.

Discretion means that the person can make decisions without having to discuss the issue with anyone else and not being answerable to anyone else.

Accountability means being willing to allow all legitimate stakeholders to check that I or the organisation I represent, is doing what it says it is doing.

This formula therefore suggests that if someone has monopoly power over a good or service, and if that person has the discretion to decide whether someone gets that good or service (or how much of a good or service that person receives), and if there is no accountability whereby others can see what that person is deciding, then we will tend to find corruption.

Klitgaard does not admit the importance of personal or religious beliefs, nor does he admit moral or ethical values that a person might have. He claims that corruption, when it occurs, is an objective and rational choice because he claims corruption is a crime of calculation. He claims that many anti-corruption efforts fail because they take an exclusively legalistic approach or rely on appeals to morality.

[44]Corrupt Cities: A practical guide to cure and prevention" by Robert Klitgaard, Ronald Maclean-Abaroa, and H. Lindsey Parris. World Bank Institute 2000.

[45]Klitgaard, Robert, McLean-Abaroa, Ronald, Parris, H. Lindsey (1996). 'A practical application to dealing with municipal malfeasance.' UMP Working Paper Series 7, Nairobi: UNDP-UNCHS-World Bank - UMP. P.O.Box 30030, Kenya, May 1996.

Klitgaard's work comes out of his experience in Bolivia and Hong Kong, but suggests that it is universally applicable. His co-author is Ronald Maclean Abaroa who was Mayor of La Paz, Bolivia and had practical experience of cleaning up the La Paz municipality.

He goes on to say: "Corruption is a crime of calculation, not of passion. People will tend to engage in corruption when the risks are low, the penalties mild, and the rewards great. (…) Incentives at the margin are what determine the calculations of corrupt and potentially corrupt officials and citizens. Change information and incentives and you change corruption."

If, on the other hand, monopoly power can be reduced (e.g. a person does not have the sole authority to make a decision); discretion can be limited (e.g. a person does not make the rules for a decision themselves); accountability can be increased (e.g. a person can be held accountable for corrupt behaviour); then corruption is likely to be reduced. If risks are high, penalties severe, and rewards small, it is likely that corruption will be reduced.

Klitgaard's thesis, however, is that people will choose corruption if the calculation seems to be in favour of the person benefitting from corruption - reducing corruption does not require a new set of attitudes, does not require understanding of the personal or national harm caused by corruption, does not require an understanding of the benefits of integrity, as an antidote to corruption, does not have reference to ethical values, religion, moral leadership etc. It suggests that corruption is a crime of calculation, and will decrease if the incentives are changed such that people will calculate that the benefits do not outweigh the risks. He considers that the problem lies with corrupt systems, not corrupt people. However, if corruption is systemic, then people get corrupted and reinforce the system.

A final important point from Klitgaard's work is that corruption is not limited to the public sector, but can happen within the private sector and in civil society.

Exercise
Klitgaard's theory

Let us try out Klitgaard's theory: here is an example of a corrupt system in the municipality of La Paz from his book. Please read the article, and then think what you might do by using the formula that Klitgaard has supplied – reducing monopoly, reducing discretion, and increasing accountability.

Make your suggestions in groups, and present them to the class in plenary.

"Perhaps the most evident and generalised form of corruption occurred in the corridors and the main hall of the municipality. Hundreds of citizens wandered through, trying to complete some paperwork or make a tax payment. Because of the total disorganisation and the lack of information for citizens, there emerged dozens of "tramitadores" (middlemen) who offered their services to "arrange" a citizen's paperwork or permit problems.

The first extortion of citizens occurred when they delivered their documents to these tramitadores. Then, when the paperwork was finished, very often illegally, the citizen was required to pay a "thank you" in addition to the official cost of the transaction. Receipts even for the official sums were infrequent, and it was clearly the case that much of the money was stolen by corrupt officials. What citizens did get was basically a kind of temporary "protection" from being molested by inspectors and the like."

Then read the actual solutions that Ronald Maclean Abaroa implemented and compare them with your ideas – did you use some of the same ideas? Similar? Are there any ideas you can pick up from the La Paz experience that could help you in your company or organisation?

"The first step we adopted was to isolate those doing the paper work from the public. We did not permit tramitadores, or anyone else to wander freely from desk to desk "running signatures" and stamps. All transactions had to be deposited in a single place and be given a control number. They had to be picked up a few days later from another place. The functionaries who processed these transactions were kept practically secluded on the second floor of the municipality, where they had no way of "conversing" with the clients.

To complement this step, we opened accounts in the banking system so that tax payments could be made directly and municipal cashiers could not profit from a "float" to speculate in the black market with dollars (which then was common).

These simple measures did not stop the grand corruption, but they did eliminate a major source of abuse and discretion that affected many citizens. Within a few weeks one could walk the corridors of City Hall without colliding with hundreds of confused and anxious citizens, victims of extortion and veiled threats. Citizens found it easier to find out where their transactions were in the system, through a computer based central registry of transactions. They could perceive that the system had changed for the better."

Chapter 6

The place of legitimacy in controlling corruption (Tyler)

A different approach to understanding peoples' motivation for corruption or for integrity comes from thinking about the way citizens relate to the government. If they consider the government and the way that it works to be legitimate – e.g. that it provides good services to the public - they may well agree to a norm of integrity. If they do not think it to be legitimate, they will consider making their own rules and seek the greatest income.

Many previous thinkers on corruption have felt that increasing rewards for good (i.e. not corrupt) behaviour, through higher salaries and more benefits, together with tougher sanctions for bad (i.e. corrupt) behaviour through prosecution and punishment, are the way to work. This has been the basis of many anti-corruption strategies and the creation of many anti-corruption commissions throughout the world. The difficulties have been extensive, however, particularly in countries where corruption is the norm:

a. It has been difficult to set up independent and legitimate anti-corruption commissions when the political will to do so is lacking - often because some of those most guilty of corruption are in the higher levels of government, and responsible for setting up such structures - but would also be likely to be targets for such commissions if they were doing their work properly.

b. It has been difficult to get prosecutions, due to corruption within the judiciary - particularly in bribing judges not to proceed with favoured cases.

c. It has been difficult to induce citizens into non-corrupt behaviour when it is evident to so many that corruption is a rational way to become rich in their society, as proven by their leaders.

It has also clear that a comprehensive anti-corruption strategy such as has been pursued in Hong Kong or Singapore is expensive, and requires the kind of political will that is rare.

Many have pondered why it is that countries which are low scorers on the Transparency International Corruption Perception Index do not have to be so concerned about corruption because citizens of those countries seem to accept that it is a self-evident fact that corruption is socially and ethically unacceptable. As we saw from Malcolm Gladwell's comments about tax payment in the USA[46], the reason why so few people cheat on their taxes is that "people think the system is legitimate" and therefore should be followed. As we saw also in the chapter on choice at the high end of the integrity spectrum, corrupt people who are prepared to cheat or steal from their employers are in a minority, and have to have large pressures, coupled with opportunity and rationalisation to move into that corrupt context. In most cases people in such contexts are inclined to exercise integrity, and are not inclined to be corrupt.

As has also been said previously, this is a shifting situation with increasing numbers of cases of massive corruption from commercial organisations, like Enron, Tyco or Siemens.

Those who have worked on the reasons why people obey the law (as opposed to why people break the law) have mostly come from the field of criminology, and from the USA. The relevance of this to the field of corruption has not yet been demonstrated, but corruption is also a form of crime, involving breaking laws which people are aware of, but choose to ignore. These researchers have noted that, to quote Tom Tyler's "Why people obey the law"[47] that "(How to manage social order) has been central to discussions about how to deal with disorder in emerging nations throughout the world, and to recent discussions in our own society about how to best combat the external threat posed by terrorism." In addressing all of these issues "Why people obey the law" makes the argument that "...the relationship between the members of groups, organisations and societies and the authorities and institutions which govern them need not be based on an instrumental exchange of rewards, or be a threat based approach to social control. It is also possible to engage the values of the population, which leads to a self-regulatory stance towards governance, in which people voluntarily defer to authorities and institutions because they view doing so as part of their obligation that they have to their leaders".

These criminologists have discovered through their research that people who join riots, and people who become terrorists are, for the most part, not influenced by concerns that they will be caught, similarly to the fraudsters in the Cressey Triangle who do not concern themselves solely with the threat of detection. An important part of their thinking, or their mind set, is that the governance under which they operate (it may be the management structure of the firm, or the government of the state in which they live) is not legitimate, has shown itself to be unfair, unrepresentative, or unwilling to listen to their opinions.

The term "legitimacy" is at the core of these discussions. People who do not consider that the state is legitimate, that it does not uphold the laws fairly and apply them equally to all, or seek policies that truly benefit them and their societies, feel able to ignore its rules and regulations and make up their own minds what they will support and what they will defy in the social contract of that particular country.

A more dramatic (and US-centric) statement concerning legitimacy comes from a blog called The Real Revo (Aug 2013 RD Walker)[48]

"The vast majority of Americans obey laws for two reasons - for fear of penalties and because it is the right thing to do. I would argue that the latter reason is more important than

---

[46]Gladwell. Op. Cit.
[47]"Why People Obey the law" by Tom Tyler. Princeton University Press. 2006
[48]The Real Revo Blog. Aug 2103. RD Walker

the former. (….) most of the world is different. In most nations, laws are obeyed only when there is a threat of penalty for breaking the law. If there is no such threat, the law will be flouted without a second thought.

The people of these nations learnt to ignore the laws from their governments. They have observed that governments twist the law, apply it arbitrarily, or ignore it completely. The governments of those nations have violated the social contract by placing themselves above the law. The people, understanding that the social contract is no longer valid, feel no responsibility to uphold their end of the deal. If the government is not bound by the law, they reason, they are not bound either."

At the time of the riots in London in the summer of 2011, many young people became involved in joining criminal activities to loot stores. The substantial research conducted after those events suggests that young people asked themselves two questions before getting involved:[49]

1. What do I think is right or wrong?
2. What do I risk if I get involved?

The second question does not seek to justify behaviour, but rather asks whether the gains outweigh the risks. The first question, however, asks whether the institutions involved are legitimate or not. Many young people in London had such a bad opinion of the police that they considered it acceptable to ignore their orders because they no longer believed in their legitimacy.

The suggestion here in relation to corruption is that most people in countries where corruption is the norm do not have any faith in the government (because the government lacks integrity to such a degree that it is illegitimate), do not respect their part in a social contract (or do not even recognise that there is a social contract between the people and the government), and, as a result, feel no compunction about acting corruptly (because their leaders are already doing so, and are doing so with impunity).

The book "The Reasons for Compliance with the Law"[50] with which the same Tom Tyler is involved, suggests the ordinary citizens' readiness to comply with the law (and this can refer to avoiding corruption as well as paying taxes) is derived from approval and acceptance of the ways that government behaves, illustrated by Figure 14:

Figure 14: Competency leads to compliance

Figure 14 shows that if the Administration is competent, and the Government performs its job well, the citizens have trust and confidence in the government. If this trust and confidence is further enhanced by procedural justice, then the citizen's sense of the government's legitimacy will be based on shared values, and citizens will have a sense of obligation and a willingness to obey government's standards and requirements. This will then be translated into actual compliance with these standards and a feeling that behaviour of this kind can legitimately be demanded.

Exercise
Discussion

In plenary discuss the social contract, and what it means with reference to an agreed country, or, if there are participants from different countries, in groups representing different countries. What does Government expect of it citizens, and what do the citizens expect of the Government?

Consider what happened in the Arab Spring in the countries of Tunisia, Egypt and Yemen. And what might happen in Jordan and Morocco?

Hold a debate between two groups of participants on the statement:

"This house believes that a breakdown of the social contract encourages corruption."

Once the debate is over, consider what can be done to re-build the social contract.

[49] Much of this section is derived from Mark Easton, BBC News, Nov 2011
[50] The Reasons for Compliance with the Law" by Margaret Levi, Tom Tyler, Audrey Sacks. Paper for the Workshop on The Rule of Law, Yale University. March 2008

What can be done?

Where there is a decline in institutions (and these institutions can be firms, communities, universities, local and national government) and people who inhabit these institutions are dissatisfied and want to do something about it, they have three possibilities according to Albert Hirschman.[51]

This suggests that the way to change people's behaviour is to try and change the example that they are given from the top, and show that there is political will at the top to change the corruption norm. Experience would suggest that this is the case in the countries where corruption is lowest. In Africa; Botswana, Mauritius, and recently Rwanda are countries where the people believe in the legitimacy of their governments and the existence of a social contract which they can support - and there is a very low level of corruption. A particularly interesting case is Rwanda where, following the social disruption of the genocide, and the President's determination to build a new and ethical nation from the ashes of the former, a strong lead has been given by the President to reject corruption, and this has permeated the way that the government behaves.

Ordinary citizens of the country believe strongly in the legitimacy of the government, and behave with integrity as they are requested and required by the President. Rwanda has the full measures of corruption control mechanisms - Ombudsman, Anti-corruption Commissions, and Courts, but it is likely that the respect that the people have for the government has been one of the reasons why Rwandans do not commit corrupt acts to the same extent as their neighbours Kenya, Uganda, Congo, and Tanzania. It is even more interesting in that many of those who are now in high positions in the government of Rwanda were the genocide diaspora and grew up in the neighbouring countries before they returned to Rwanda. They had thus presumably absorbed the norms of corruption in those countries before going back to Rwanda and discarding them.

This suggests that attempts to encourage and increase integrity in a country require paying attention to the leadership and to the model provided by the leadership because this is what gives the country's government the legitimacy it needs if it is going to try to establish a norm of integrity, and reduce corruption.

However it is not that the only job is reforming the national leadership - there is much that citizens can do in the community of practice they belong to (business, geographical community, local government body, etc.) which has not lost its legitimacy, but which requires attention in order to be improved. Building integrity provides the opportunity to improve the situation of an organisation to which a citizen belongs by its members paying attention to Accountability, Competence, Ethical behaviour, and the control of corruption. As you will remember, these are the constituent elements of Integrity and much can be done by accepting the legitimacy of an organisation but trying to improve it from the inside.

What can be done - Integrity Action and Community Integrity Building

When citizens are concerned about the decline in standards of an organisation to which they belong (and in this case we are talking about a decline in integrity and an increase in corruption in the societies we belong to, whether firm, school, university, membership association, local government, the state), they have in the past had two options: exit (i.e. leaving the organisation); or voice (i.e. complaining about what is happening in the hope of improving things); with the added option of Loyalty (i.e. staying within the organisation due to loyalty or lack of other options).

This theory was developed by Albert Hirschman:[52]

The basic concept is as follows: members of an organisation, whether a business, a nation or any other form of human grouping, have essentially two possible responses when they perceive that the organisation is demonstrating a decrease in quality or benefit to the member: they can *exit* (withdraw from the relationship); or, they can voice (attempt to repair or improve the relationship through communication of the complaint, grievance or proposal for change). For example, the citizens of a country may respond to increasing corruption in two ways: emigrate or protest. Similarly, one can choose to quit their unpleasant job, or express their concerns in an effort to improve the situation. Disgruntled shoppers ask for the manager, or they choose to shop elsewhere.

However, *loyalty* is a bit more complicated. If an employee is loyal to the company (or organisation), and cannot 'exit' due to a lack of job opportunities or use 'voice' because of lack of leadership capacity, then continuing to work without getting involved is what many people choose.

However, organisations could develop ways to address members' concerns if they understood the interplay of 'exit' and 'voice', and the quiet lack of involvement by those who are 'loyal'. Without this understanding, organisational decline may continue and result in ultimate failure.

---

[51]Hirschman, Albert O. "Exit, Voice and Loyalty - responses to decline in Firms, Organisations, States". Harvard University Press. 1970. en.wikipedia.org/wiki/Exit,_Voice,_and_Loyalty
[52]Hirschman, Op. Cit.

Integrity Action has looked at Albert Hirschman's ideas in the context of a decline in Integrity, and what can be done about it, and has come up with three additional viable alternatives:

Hirschman's concept:

1. You can have loyalty without voice - You are still a part of the organisation. You do not want to complain even though you know something is wrong.
2. You can have loyalty with voice – You are still a part of the organisation, but you are aware that something is wrong and you want to complain about it by raising your voice.
3. Exit - You want to leave the organisation, or at least disassociate yourself from it.

Integrity Action's additional alternatives:

4. Anonymous: You want to raise your voice because you are aware that something is wrong, and you do not want to exit since you will lose the opportunity to cause change, but you do not want to be identified as the one raising their voice.

5. Exit with voice: You feel strongly enough that you want to leave the organisation, but you want to leave with a clear statement of what you think are the problems.
6. ORGANISE and STRATEGISE: You are dissatisfied with the situation but, in the hope of improving it, you want to organise with others and make plans that have some chance of success.

Integrity Action is particularly enthusiastic about organising and strategising, and has developed a successful technique which it calls Community Integrity Building (CIB), mainly operating at the level of local government bodies. CIB deals with communities, often working with CSOs, on local issues that illustrate an integrity problem – usually an issue or problem with service provision. The idea is that people (or in cases of public projects, the implementers) can be encouraged to make choices in the direction of high integrity. Through CIB, problems are fixed, while participatory practices help to prevent such problems in the future.

Example
Potential issue

In Lunga Lunga, Kenya, a government functionary claimed that a water pump was faulty, took it to his house "for repairs", but in fact used it himself for his own purposes, selling water at high prices, while many local people had to walk long distances for water.

Example
Possible solution

A joint working group of citizens affected by the issue was formed and investigated the case documenting the evidence. It revealed that the government functionary had no right to remove the pump, and that the pump was in good working order. The case was taken to the Constituency Development Fund, which had funded the original pump, and the government functionary was taken to court, and ordered to return the pump. He did so secretly so no-one saw, and has been re-instated to pump water for the citizens living nearby.

Integrity Action's intentions when addressing the subject of personal integrity, are to identify issues that affect a community rather than just an individual, work with that community so that they can clearly identify the problems caused by corrupt activities, and seek a way of resolving the problem through actions of integrity. Individuals make up the community, and their personal decisions to promote integrity leads to benefits for the community, and will have an effect that will help persuade others of the value of integrity.

For more information about Community Integrity Building, please see the module entitled: Community Integrity Building and Social Accountability.

Section 2　Integrity

Module 4
Integrity in management

Section 4 Integrity in Management
Purpose of this module

The purpose of this module is to introduce you to the concept of integrity, while realising that, for many people, the place that they are starting from is a desire to fight corruption.

The target audience for this module is, firstly, students at universities who will, following graduation, likely be employed at a management level at one of the following three kinds of organisations - government, commercial firms, and/or civil society organisations (CSOs); secondly, public officials or business men/women who are already managers and who are attending a professional training course at a tertiary level institution.

As with all the Integrity Action modules, it is anticipated that the audience for the modules will be people who are interested in integrity in both their personal and professional lives, and would like to know more about how to apply it. For students, this module will teach them about what they can expect when they are involved in managing different kinds of organisations in the future. For existing staff of government, business or civil society, it will teach them how to apply concepts and practices of integrity in management at their existing places of work.

Whatever kind of organisation you are working for, or want to be working for, you hope to be able to make integrity an integral part of how that organisation works, and how that organisation is managed. Managing an organisation so that integrity is fundamental to how the organisation works has strategic benefits for the organisation because it leads to the wide variety of stakeholders related to the organisation having **trust in the organisation, with the**

organisation being worthy of that trust. Such trust in the organisation's integrity will yield significant benefits for the organisation in terms of its internal organisation (the way the staff behave) and its external relations (the way it is viewed by its clients). This can lead to, for example, better interaction between a government office and its clients, more business from customers or clients for commercial firms, better relations between stakeholders (its target group, the government and its donors) for CSOs - and, in general, the ability of all of them to rely on the support of key stakeholders in difficult times - because the organisation is trusted, and worthy of that trust.

More immediately, the benefits of trust are also apparent in terms of optimally allocating management time and limited resources. A trusted organisation can prosper in the future in ways that other, less-trusted organisations operating in a poor governance environment cannot. It is also better positioned to help shape that future, and demonstrate that management with integrity is possible and not only sensible, but optimal.

This module, therefore, suggests ways that integrity can be embedded in management, how trust is a valuable outcome of integrity, how stakeholders can be engaged in integrity work, and how integrity can be managed in day to day operations.

The basic premise is that management decision-making, actions and outcomes demonstrate integrity to the extent that they include the use of the four key elements of integrity.

Figure 8: Integrity definition

So what constitutes Integrity?

Integrity: I = a (A, C, E) – c

Integrity is the alignment (a)
of Accountability (A)/Competence (C)/and Ethical behaviour (E),
without corruption (c)

"without corruption" includes the implementation of corruption control mechanisms

A commitment to organisational integrity is very much one of a readiness to identify improvements in the way your organisation functions and then to manage these improvements into reality. The focus is on complementing and improving existing management and operating practices, not making them more complex, nor radically overhauling them (unless absolutely necessary). Its emphasis is not on proposing radical changes in what your organisation does. It is more on inviting your organisation's management and staff to take an integrity-based perspective on how they do things. In that sense, it is more a "route map" than a "ticket" to your destination.

This module contains examples and exercises, but will only be powerful if it is strongly infused with examples from the lives of those who are participating in the module. It is important to make sure that this module is realistic and corresponds with the real world from which the participants are drawn, and regarding students, the real world into which they will enter. The module also contains a list of documents and videos for further study

Chapter 1

Managing integrity

It is a core management challenge to embed and strengthen integrity across any organisation. This requires the development, implementation and sustained operation of an effective integrity management framework. The elements of this framework cover all the important elements of any organisation's functioning, including its Mission, Vision, Values Statement, Code of Conduct, Code of Ethics, Service Charters, Governance framework, Human Resources policies, and Management Guidance policies. More information on organisation design and internal controls can be found by researching the Committee of Sponsoring Organisations of the Treadway Commission.[53]

All organisations are likely to have thought about these management elements; and sometimes their thinking about these management elements has been formalised into documents available to the staff of the organisation. Documenting this thinking would be in line with good practice standards and is recommended when trying to implement an integrity perspective. It is important for transparency and accountability that the staff of an organisation know the thought processes of management in setting the culture within an organisation. Staff should therefore be able to ask for documents which reflect the organisation's thinking on these issues.

Mission: A mission is a description of what an organisation does and why it currently exists. A mission statement should describe organisational purpose, using language that signifies intention (to.....)

Vision: A vision describes what an organisation aspires to be and gives shape and direction to its future. In this way a vision statement is expressed as a desired future state.

Values Statement: An organisation's values statement sets out the values, principles and ethics according to which the organisation operates. It needs to be clear and easy to understand, and should be part of the induction process for all new employees and reviewed periodically with all employees to ensure they are aligning their own behaviour with the values and principles in the statement.

Code of Conduct: This code sets out the behaviours that guide the decisions, procedures and systems of an organisation in a way that (a) contributes to the welfare of its key stakeholders, and (b) respects the rights of all constituents affected by its operations.

---

[53]For insights into COSO: Committee of Sponsoring Organisations of the Treadway Commission (COSO) and internal controls, enterprise risk management and fraud deterrence. www.pwc.com/us/en/cfodirect/standard-setters/coso/index.jhtml

Code of Ethics: A code of ethics should be a central guide and reference for staff to support day to day decision making. It is meant to clarify your organisation's vision, mission, values and principles, linking them to standards of professional conduct. A Code of Ethics is thus an open disclosure of the way your organisation operates with integrity, morality, honour and public purpose. It should provide clear guidance on the organisation's norms of expected behaviour.

Service Charter: A Service Charter is a document that lays out what standards of service stakeholders, including customers and clients, can expect from an organisation.

Governance framework: Governance denotes the collective means by which direction, oversight and control are exercised over an organisation's activities and conduct. A framework includes the mechanisms and processes by which decisions about the allocation, use and disposition of resources and assets are made, executed and accounted for. The Governance framework should reflect and be aligned with the other organisational platform documents.

Human Resources (HR) policies: These describe the terms and conditions, rules and regulations governing the employment of staff of an organisation, together with the opportunities for staff to appeal about the ways in which these are applied. Related to Integrity, HR policies should include incentives for employees to work with integrity, and be recognised for it.

Management guidance policies: Management is the sum total of activities that businesses and organisations use to coordinate the efforts of people to accomplish goals and objectives using available resources efficiently and effectively. Management comprises planning, organising, staffing, leading/directing, and controlling an organisation to accomplish a goal. Management guidance policies provide instructions for the deployment and control of human, financial, technological, and natural resources.

Examples of organisational statements relevant to integrity management: Note that these are not exhaustive, but rather examples of elements of more comprehensive statements. The complete Codes, for example, have numerous items, while the Mission Statement has one overall purpose.

	University - Business Studies	Government department (Public Works)	Business (Hotel)	NGO (HIV/AIDS)
Mission	To prepare the next generation of business men and women for our country	To provide good quality infrastructure for our country	To provide good quality accommodation & services to visitors to our country	To provide support to those living with HIV/AIDS in our country
Vision	Competent, well educated, ethical business people for a better future of our country	Citizens enjoying well-functioning basic infrastructure in our country	Visitors satisfied with the level of comfort and services available to them	Those living with HIV/AIDS in our country enjoying the best quality of life possible
Values Statement	The values of the university Business School include: Academic, Personal & Organisational Integrity, Consideration of the Public Good, Ethical Behaviour, Fairness in Business, Professionalism	The values of the Public Works Department include: Personal & Organisational Integrity, Consideration of the Public Good, Ethical Behaviour, Fairness towards Customers and Employees, Professionalism	The values of the Hotel include: Personal & Organisational Integrity, Responsiveness to the Clients' needs, Ethical Behaviour, Fairness towards Customers and Employees, Professionalism	The values of the NGO include: Personal & Organisational Integrity, Responsiveness to the Patients' needs, High quality services, medications and treatment, Professionalism
Code of Conduct	Students are treated as adults with adult responsibilities	Our workforce carries out their tasks efficiently and quickly	All hotel guests are given good service with a smile	The staff are sympathetic, empathetic and professional

Code of Ethics	We uphold high standards of integrity We consider the public good	We work efficiently, effectively and thriftily We eschew corruption, maladministration, and misconduct	We treat all guests with respect We respect the confidentiality of guest information and activities	We help all clients to the best of our abilities, irrespective of their background or degree of illness
Service Charter	Our fees entitle you to access quality education	We will use high standard materials in our work We will give timely prior notice to customers in case of infrastructure repairs or maintenance	Our service is the best that can be offered for a 3-star hotel	Treatment is provided free but contributions to the organisation are gratefully accepted
Governance framework	The university is governed by a council appointed by the Ministry of Education	The department is supervised by the Ministry of Works within the Government of the country	The hotel is owned by Mrs. X, and staff are members of a Union	The NGO is managed by a Board whose members are always accessible
Human Resources (HR) policies	The University follows regulations of the Public Service Commission	The department follows the regulations of the Civil Service Commission	The hotel has its own Human Resource policies which are agreed with the Union	The NGO has its own staff policies agreed by the Board
Management guidance politics	The University has a Vice Chancellor responsible for day to day management decisions	The department has a Director responsible for day to day management decisions	The hotel has a managing director responsible for day to day management decisions	The NGO has an Executive Director responsible for day to day management decisions

Organisations interested in combating corruption and raising standards of performance commonly concentrate on rules, regulations, a culture of compliance and threats of sanctions. These certainly have their place. Yet our work on institutional integrity is much more geared to achieving the benefits of trust and trustworthiness, by building a culture of integrity. This will facilitate the management and operation of the organisation in an efficient, effective and ethical manner.

By improving trustworthiness to stakeholders, your organisation can inspire stakeholders' increased trust. A working definition for Institutional Integrity is:

Institutional Integrity:

'All the characteristics that together improve trustworthiness to internal and external stakeholders.'

The desired outcome is Stakeholders' Trust.

In practice, this means establishing values and related standards of behaviour and then providing guidance on how staff can endeavour to act in accordance with these. In many cases, such guidance will come in the form of established policies and procedures, supported by documented performance standards and related monitoring mechanisms. These need to be backed up by clear messages and role models from the top of the organisation. There will need to be operating systems set up for teaching new and existing staff about integrity practices.

It is rarely, if ever, possible to provide specific guidance on every conceivable situation arising in the course of any organisation's day-to-day activities. However, through creating a culture of integrity, we hope to train and empower staff to have the values, attitudes and practical skills to understand how to approach or who to consult to determine an appropriate course of action if an integrity challenge arises, whether it be a corruption, competence, accountability or ethically based problem.

Such problems and remedial action may be monitored and reviewed by management, and guidance provided to facilitate organisational learning. We are assuming that the organisations with which you are working, or hope to be working in are likely to exist in an environment and context where corruption is present, and in which, therefore, practices of integrity will be a challenge to the status quo. Creating a culture of integrity and then managing it will require clear messages, regular monitoring, opportunities for improvement, and positive reinforcement of such improvement.

It would be beneficial for every organisation to have someone who is more knowledgeable and skilled in the practice of integrity, with whom employees can consult confidentially when faced with a particularly complex or sensitive integrity or ethical challenge. This 'Integrity Officer' or 'Integrity Advisor', as sometimes called, has the responsibility to maintain confidentiality regarding the employee's dilemma, and to assist the employee in developing a workable solution. This role is very different than that of the 'Compliance Officer' in many organisations, who has the responsibility to report any wrongdoings up the hierarchy, in order to decide whether prosecution or other punitive sanction should be implemented.

This illustrates a major difference between promoting integrity and an integrity culture within an organisation, rather than a culture based solely on compliance. An integrity approach may implement an educational sanction to an employee, but more importantly, the employee is given the opportunity to right the wrong that took place. Of course, should improper behaviour of an employee continue, more punitive sanctions may be needed.

This module is designed to offer practical, constructive guidance on the implementation of changes in management practices necessary to operationalise changes in attitude within various kinds of organisations.

Chapter 2

Recap - Understanding Integrity

If they have not done so previously, students are urged to read the complementary module from Integrity Action, called "Understanding Integrity" which is condensed here.

Integrity is the alignment of:

- **Accountability**
  - We take responsibility for our actions
  - We do what we say we do
  - We provide stakeholders with the information they need to check our work

- **Competence**
  - We have what it takes to get the job done
  - We do it well
  - We manage our work professionally

- **Ethical behaviour**
  - We value others' opinions
  - We can be trusted
  - We work for the public good

This explains Integrity Action's definition of Integrity, and is the basis for the way that Integrity Action works:

- **without corruption/with corruption controls**
  - We work without corruption
  - We use tools to make corruption difficult
  - We support those who try to reduce corruption

Alignment - We mean what we say, there is no gap or difference between our words and our actions. Our understanding of Accountability, Competence, and Ethics is consistent with each other, and supports each other in the task of strengthening integrity.

Integrity Action has formulated the following equation which sums up its definition of Integrity

Figure 8: Integrity definition

$$\text{Integrity: } I = a (A, C, E) - c$$

Integrity is the alignment (a)

of Accountability (A)/Competence (C)/and Ethical behaviour (E),

without corruption (c)

"without corruption" includes the implementation of corruption control mechanisms

This means that Integrity is at its highest when:

1. **Accountability is present** - i.e. being open to all legitimate stakeholders to allow them to check that we or our organisation is doing what it says it is doing.
2. **Professional competence is present** - i.e. having and deploying the skills and capabilities required to achieve personal or organisational goals
3. **Ethical behaviour is present** - i.e. behaving in compliance with a set of system of principles and commitments that are established to guide decision making and behaviour - a consciousness of what is legally, morally, professionally important, obligatory or permissible
4. **Corruption is controlled** - i.e. having no tolerance for or practice of corruption or when corruption control mechanisms are in place and working.

Note that these four elements are to be aligned with each other - i.e. having consistency of purpose among the elements, and between what you or your organisation intends and/or says it is going to do, and what it actually does.

To understand these four elements more fully, please see the passage below which is taken from Integrity Action's publication: *"Fix-Rate - A Key Metric for Transparency and Accountability" 2013* (page 15)[54] and in Module 2 of this textbook.

Accountability

Accountability is both the ability of key stakeholders to check that we do what we say we do, and responsiveness to legitimate internal and external claims. Individuals may have integrity without accountability, but it is an inherent part of the social contract that institutions, especially public ones, are to a greater or lesser degree held accountable, both vertically and horizontally. Without such accountability they may be honest in the sense that they may not be deceiving or cheating, but are in effect acting with impunity. A precondition for effective accountability, in turn, is some level of transparency. Transparency does not have a value in itself; it has value when it improves accountability in meaningful and useful ways.

[54]www.integrityaction.org/statistics-measuring-fix Fredrik Galtung. 'The Fix-Rate : *A key metric for transparency and accountability. Working Paper No. 2*', Integrity Action. London 2013.

Competence

Competence is the ability to do something well. Without competence an individual or organisation may have good intentions and be honest in the narrow sense of the word, but if an organisation doesn't deliver good infrastructure, healthcare or education, it would not, ultimately, be acting with integrity. Moreover, competence is a contextual norm. A doctor trained and educated in Germany may win accolades for competence in her native country, but might despite her best intentions not perform well in a refugee camp in central Africa - under duress, with limited access to medicines, and under poor sanitary conditions. Competence in one setting does not always translate into competence elsewhere.

Ethics or Ethical behaviour

We define ethics as behaving with honour and public purpose. Ethical norms are contextual and what constitutes a public purpose or public good will often be disputed, even within a small, seemingly homogenous community. Despite the inherent challenges of defining ethics, the willingness to engage with core values and issues that are in a wider public interest, such as the environment, access to justice, public infrastructure, etc. is inextricably bound with the question of organisational integrity. Without any reference to ethics, integrity can more simply be defined as "the full application of rules and laws" or as "doing what I say I will do." But it is the adherence to these public values and standards that comprise an important element of integrity within organisations, communities, and societies.

Corruption control

The final factor that fatally undermines organisational integrity is corruption. Corruption, the abuse of entrusted power for private gain, is one of humanity's more resilient and adaptive phenomena. It will not be eliminated through traditional accountability measures, nor by raising standards of competence or even by having open dialogues or agreeing on a common set of ethical norms. A major lesson of the last twenty years of activism and institution building in the field of anti-corruption is that effective deterrence and enforcement of anti-corruption norms requires a set of dedicated and overt resources and institutional mechanisms, which must, in turn, be complemented by other institutions. A solid platform of systems, procedures, policies, rules and regulations is critical as the basis of an integrity system, but they are by no means sufficient in ensuring that integrity exists and thrives throughout an organisation. All four elements are required for there to be true and lasting integrity.

Alignment

Alignment denotes consistency between what your organisation intends and/or says it is going to do (e.g. your vision, mission and goals) and what it actually does. It also denotes consistency between the behaviours that your organisation considers to be important (e.g. your values) and the way it actually behaves. It can be described as "organisational wholeness", in the sense of your organisation's collective focus on a common purpose: the constituent parts of your organisation "line up" as a whole, focused on its goals.

Management and staff demonstrate behaviour that encourages the organisation to flourish. It therefore also denotes the extent to which your organisation synchronises its activities, so that its various constituent elements present a common, consistent and seamless front to others and employees work together as a team to implement its strategy and achieve its purpose.

Chapter 3

Embedding integrity in management

Here we look at approaches and tools that your organisation can use to embed integrity in its management. This implies a proactive focus on how it makes decisions, performs and behaves, allocates resources and accounts for its performance (collectively, its management and operating practices).

1. Integrity in day-to-day operations

To be effective, an integrity-based approach must over time become embedded in management and operating practices. We introduce the **"Integrity Lens"** as a **management** and **decision-making tool** through which to view your organisation's management and operating practices and assess the extent to which they demonstrate accountability, competence, ethical behaviour, without corruption and with corruption controls. We also highlight the importance of **performance standards and indicators**, as a means of assessing your organisation's integrity on an ongoing basis.

2. Managing stakeholder engagement

We introduce methods to **identify stakeholders** and **prioritise** their **interests**. Prioritisation is based on their relative importance to your organisation, in terms of their potential influence on your ability to achieve certain desired outcomes and the impact you will have on them in the process. By **interacting** with stakeholders, your organisation can improve its understanding of why integrity is important (i.e. in terms of the benefits of trust) and what sustainable value and benefit it can derive from its use.

Before you embark upon a structured, systematic process to build and strengthen the management of organisational integrity, your organisation should have certain things in place. Some are required. Others are advisable. Together they provide the necessary platform and support structure that will greatly enhance the likelihood of your success. Without them, any concerted management initiative is unlikely to have the momentum that it needs and will almost certainly fail.

Chapter 4

Basic organisational components

We have identified six recommended prerequisites for your organisation to strengthen institutional integrity:

- Mission, vision and values
- An integrity leader and builder
- Chief Executive Officer commitment for clear messages and modelling from the top
- Executive sponsor (integrity champion)
- Commitment of resources
- An Integrity Working Group

Mission, vision, values

The terms "mission" and "vision" are easily confused, but they are not the same thing.

Mission

In simple terms, your organisation's mission statement should describe what it does and why it currently exists. A mission statement should describe organisational purpose, using language that signifies intention (e.g. to do something).

Example of a Mission statement from the American University of Central Asia (UCA):

"American University of Central Asia is an international, multi-disciplinary learning community in the American liberal arts tradition that develops enlightened and impassioned leaders for the transformation of Central Asia.

Vision

Your organisation's vision statement should describe what it aspires to be and give shape and direction to its future. A vision is expressed as a desired future state.

Example of a Vision statement from Integrity Action:

"Our vision is for a just and equitable world, where citizens are empowered and integrity is central to vibrant societies."

Delivering the mission is largely a question of good management. Realising the vision is very much a focus of strong leadership. Both require a strategy - i.e. a planned approach to delivering a specified outcome.

Values Statement

Integrity does not automatically follow from the fact that your organisation has values and practises them. Yet it is difficult to see how your organisation can demonstrate integrity if it doesn't.

It is unwise to assume that your organisation's values are widely known. Your organisation's values statement should therefore articulate the general characteristics of behaviour that it considers valuable as a means of achieving its purpose and goals. It should define the qualities that lie at the core of all that it does. Values should inspire and guide individual behaviour within the organisation. They should underpin the intent and direction of your organisation's strategy i.e. the means by which it delivers its mission and attains its vision.

Example of a Values Statement from a business, Samsung:

"We believe that living by strong values is the key to good business. That's why these core values, along with a rigorous code of conduct, are at the heart of every decision we make.

People: Quite simply, a company is its people. At Samsung, we're dedicated to giving our people a wealth of opportunities to reach their full potential.

Excellence: Everything we do at Samsung is driven by an unyielding passion for excellence-and an unfaltering commitment to develop the best products and services on the market.

Change: In today's fast-paced global economy, change is constant and innovation is critical to a company's survival. As we have done for 70 years, we set our sights on the future, anticipating market needs and demands so we can steer our company toward long-term success.

Integrity: Operating in an ethical way is the foundation of our business. Everything we do is guided by a moral compass that ensures fairness, respect for all stakeholders and complete transparency.

Co-Prosperity: A business cannot be successful unless it creates prosperity and opportunity for others. Samsung is dedicated to being a socially and environmentally responsible corporate citizen in every community where we operate around the globe."

Taken together, an organisation's mission, vision and values statements should give a clear idea of **what** the organisation's purpose is and **how** it wants to go about achieving it. They should provide clear direction for your organisation, its actions and the decisions that management takes. They should guide the operation of processes and the activities of functional units and individuals. They should serve as the basis of a framework with which to evaluate current activities. They should be highly visible. They should be articulated in easily understandable terms.

An integrity leader

An Integrity Leader should also be an Integrity Builder. But what does this entail?

One of the strongest shapes in nature is the hexagon - a six-sided figure. This six-sided figure is going to lead us to understand the six core characteristics of a true Integrity Leader and Builder. They are:

1. **Commitment to the Public Interest** - An Integrity Leader needs to be fully dedicated to what is in the public's interest. Decisions need to be made taking into account what the public needs and wants, and what their priorities are. A true integrity leader and builder will be someone who engages the public in decision-making by giving opportunities and roles in offering suggestions, gathering information and recommending reforms. An Integrity Leader and Builder will not be afraid of the public - he/she will understand the benefits and challenges of working with the public, but knows that it is critical for success.

2. **Incorruptability** - The Integrity Leader and Builder must not be susceptible to corruption. Temptations, bribes, favours, etc, are unacceptable and always to be refused.

3. **Consistency of goals, vision** - An Integrity Leader and Builder must have clear goals and a clear vision for what the future should look like, with integrity. The perseverance to achieve the goals and vision is important for making change that is clear to the implementers, to the public and to all involved to continue activities until the goals are achieved. Those who waver, or who change paths in the middle (unless there are convincing reasons to do so), often result in lost confidence from the public. The public wants to trust the leadership, and wants to be sure the leadership is trustworthy, in that he/she knows what they are doing, and has a justified case to proceed and succeed.

4. **Experimentation** - Experimentation sounds scary to some people, but it is another important element that can lead to success. Often, there are problems that seem unsolvable, and even the best Integrity Leader and Integrity Builder aren't sure that a particular solution will be effective and successful. But if one doesn't try, progress will not be made. There will be times when the Leader/Builder does not succeed, and often the public begins to lose trust. However, it is important to work on other solutions, if at first the Leader is not successful. Even the best Leader/Builder is only human, and complex problems need solutions, even when the solutions are not so clear. The people need to be resilient if faced with an integrity solution failure, and continue to work together with the Leader/Build to find a better solution.

5. **Knowledge and Competence** - Of course, a basic need is for the Leader/Builder to be knowledge, competent and knows what he/she is doing. Advisors are important, citizen engagement is important, but the Leader/Builder must have basic skills that enable logical, justifiable and if possible, tested and successful implementation.

6. **Institutional Intelligence** - Having institutional intelligence means that the Integrity Leader and Builder is organisationally savvy; knows how to identify strengths and weaknesses; can maneuver and manage ideas, people and processes. Note that sometimes Institutional Intelligence can be positive, but also can be negative. But it is an important element for someone who wants to be an Integrity Leader and Builder.

It is important to also understand that there are Toxic Leaders, as well as Popular, Self-Serving Politicians. Let's discuss each of these.

A Toxic Leader is a leader who is harmful to the people's needs. From our six characteristics, the Toxic Leader does not have 1 - Commitment to the Public Interest, nor does he/she have 2 - Incorruptability. This Toxic Leader may have the other four traits, but they will not help build Integrity.

The Popular, Self-Serving Politician does not have characteristic 2 - Incorruptability. He/She may have the other five traits, but as long as they are corrupt, they are not appropriate Integrity Leaders and Builders, even if the people are helped by all the other five traits.

Exercise
Discussion

Think about these different types of leaders. Discuss the traits and characteristics that they have and demonstrate.

Can some of the six traits be taught? If so, who could or should do that? Family? School? University?

Chapter 5
Advisable organisational components

We have identified several additional organisational components which are advisable for managing integrity:

- A robust governance framework
- A sound ethical framework
- Clear behavioural guidelines
- Clearly articulated service charters

If you have these components in place, you will be in a much better position to manage integrity within your organisation.

Improvements to your organisation's **ethical framework** and the adoption of **service charters** represent particularly good starting points for incorporating integrity into all organisational initiatives. To gain wide acceptance, both require a participatory approach, engaging employees at all levels. Both of these components focus on strengthening your organisation's ability to "practise what you preach", which is itself a fundamental aspect of institutional integrity.

Governance framework

Governance denotes the collective means by which direction, oversight and control are exercised over your organisation's activities and conduct. This includes the **mechanisms** (e.g. meetings of governing bodies, such as the board and audit committee) and **processes** (e.g. planning, budgeting, performance monitoring and evaluation, internal audit) by which decisions about the allocation, use and disposition of assets are made, executed and accounted for. Just having the mechanisms and processes is not productive unless they are reviewed with staff and enforced with an integrity approach.

Code of conduct

Much of the public administration literature sees a contradiction between codes of ethics and codes of conduct, however in reality, they often complement one another.[55] A Code of Conduct is just that. It presents a set of behaviours that are desirable and expected, and often presents the converse, such as behaviours that are considered unacceptable. It is important to ensure that a Code of Conduct and a Code of Ethics should have cognitive as well as affective elements, and we would venture further to state that they both should even inspire to act with the desirable behaviours.

Each organisation needs to develop its Code of Conduct based on its own expressed values, and then the organisation should review it in open discussions with employees at all levels. If the code (whether Code of Conduct or of Ethics) is not modelled from the top and reviewed periodically among employees, it will lose its place as a guide to professional behaviour.

Ethical framework

A Code of Ethics should be a central guide and reference for staff to support day-to-day decision-making. It is meant to support your organisation's mission, vision, values and principles, linking them to standards of professional conduct. A Code of Ethics is thus an open disclosure of the way your organisation operates. It should provide clear guidance on standards of expected behaviour.

A well-written and thoughtful Code of Ethics serves as an important communications vehicle. It should reflect the "contract" that your organisation has made to uphold its values. It will therefore usually address expected behaviour in relation to such matters as your organisation's:

- commitment to and dealings with those to whom it supplies or from whom it purchases products and/or services (e.g. customers, patients, pupils);
- relations with employees; and
- relationship with the community.

The Code of Ethics should be a "living" document, moving with the times to reflect changing attitudes and perspectives.

Code of Ethics

One of the oldest, widely applied Codes of Ethics is the Hippocratic Oath. First written some 2,500 years ago, it is still sworn by doctors today. Yet variations are widely used that are more reflective of what is deemed acceptable modern medical practice (for example, the original oath contained an injunction against performing abortions, which many modern versions do not).

A Code of Ethics is also a tool with which to encourage discussions of ethics. It should guide employees on how to deal with the ethical dilemmas, prejudices and grey areas that are encountered in everyday work. It should complement management and operating standards and policies, but should not be a substitute for them.

A Code of Ethics offers an invaluable opportunity for responsible organisations to create a positive public identity for themselves. This can lead to a more supportive political and regulatory environment and an increased level of public confidence and trust among important constituencies and stakeholders.

Ethical awareness

Your organisation should ensure that staff understands what its ethical expectations of them are. It should also ensure that staff is equipped to meet these expectations. This should involve a process of **awareness raising** and **training**, relating to:

- The Code of Ethics itself
- The values of your organisation and use of the Code of Ethics
- The availability and location within your organisation of relevant staff, documentation and other resources, which could include:
  - Integrity Leaders, managers and staff with responsibility for providing advice and guidance on ethical issues
  - Case study materials
  - Guidance on ethical decision-making
  - Whistle-blowing policy and procedures
  - Ethical grievance procedures

Service charters

A service charter is a document that lays out what standards of service stakeholders can expect from your organisation. Service charters can also serve to articulate to stakeholders what behaviours they can expect, based on your organisation's Code of Ethics.

Service charters can be:
- established at the organisational level (e.g. describing standards of service applicable to any of the organisation's activities)
- specific to certain stakeholders (e.g. covering customer service)
- specific to certain activities (e.g. covering a given business process, such as procurement)
- focused on relations between different internal functions and units (e.g. covering expectations other units may have of a given function, such as internal audit)

---

[55]Willa Bruce, A. Codes of Ethics and Codes of Conduct,@ in Public Integrity Annual - 1996, Vol. I, no. 1, Lexington, Kentucky: Council of State Governments.

Useful reference material - Please respect the copyright terms of use of sites suggested. The materials in these references do not necessarily represent the positions of Integrity Action, but they can help you access professional organisations' websites that offer free materials related to non-profit, public sector and business organisational development.

Description	Source
Guidance on developing mission, vision, and values statements	managementhelp.org/plan_dec/str_plan/stmnts.htm
How to develop a code of conduct	www.u4.no/helpdesk/helpdesk/query.cfm?id=200
Drafting a code of ethics	www.independentsector.org
Service charter	www.csia.com.au/
Creating a vision	www.mindtools.com/

Exercise

Discussion

Choose an organisational type which reflects your existing or potential future interest (or choose another specific organisation that you are familiar with) and answer the following questions in groups. Once each group has produced its answers, let these be discussed in plenary to ascertain if there are differing views.

1. Can you easily find, from public records of the organisation, evidence of the various management elements?
2. If you cannot find all, which ones can you find?
3. For the ones that you cannot find, can you suggest what they should be?
4. If these statements are available, suggest why you think the organisation has made them publicly available.
5. If the statements are not available, why do you think that the organisation has not made them available?
6. Do you think it is valuable for an organisation to produce these statements? Why?
7. Do you think it is necessary for an organisation to produce these statements? Why?

Chapter 6

The value of integrity in management

We could argue that organisational integrity has an intrinsic value in and of itself (i.e. it is "a good thing") and that your organisation should try to attain and maintain it for this reason alone. However, **organisational integrity is a means to an end**, which is of significant strategic benefit to your organisation. That end is stakeholder trust in your organisation, with the organisation **being worthy of that trust**. While each of the elements of accountability, competence, ethical behaviour, the control of corruption and alignment is indicative of trustworthiness, their value lies in the fact that they can be managed to collectively inspire trust.

For our purposes, we can apply generally accepted characteristics to say that:

- Trust is the willingness of one person (e.g. a stakeholder) to put him/herself in a position of vulnerability to another (e.g. your organisation), in the expectation that his/her interests will not be abused
- Trust is built on an expectation that the recipient of such trust (e.g. your organisation) can do what it claims
- Trust is given voluntarily - it cannot be demanded.

Types of Trust

Trust is formed according to the needs of the stakeholder and the motivation for their trust can differ. Trust can be based on personal, direct experience, or the stories told by others. It can be based on professional, religious or social grounds. It can also be based on the perception that other, trusted bodies supervise or regulate the recipient of the trust. It might simply be based on the fact that the recipient of the trust appears to be more trustworthy (or, perhaps, less untrustworthy) than the alternative.

Knowledge of stakeholder interests and motivations can help you to assess levels of trust, prioritise where the need for trust-building is greatest and frame a corresponding course of action. Distributing effort uniformly across all activities of your organisation will not be as effective in building trust in targeted areas of distrust.

The organisational benefits of trust

Stakeholder trust is clearly "a good thing" in its own right. Yet it also has important effects on the way your organisation works, competes, adapts and develops over

time. If your organisation offers demonstrable evidence of its trustworthiness to stakeholders and they validate this with their trust, your organisation can reap the benefits of this in long-term relationships, continued business and ultimately integrity. These benefits are the tangible outcomes of managed organisational integrity.

The following are indicative of the significant benefits of trust that can be managed in an organisation:

Increased teamwork
The more trust people have in each other, the more likely they are to rely on each other, because they can depend on each other's ability to perform well.

This can produce benefits such as greater efficiency, speedier resolution of problems and lower administrative overhead burden.

Enhanced organisational citizenship
The more trust your local community and society at large have in your organisation, the more harmonious your relations with them and the greater your influence in community development activities.

This can produce benefits such as minimal disruptions arising within the local community, greater impact on community development and the effective discharge of your economic, social and environmental responsibilities.

Contract negotiation
The more trust your existing or potential contracting partners (e.g. customers, suppliers and/or joint venture partners) have in your organisation, the more direct, targeted and less protracted the contract negotiations.

This can produce benefits such as speedier consensus and agreement, greater focus on mutually beneficial outcomes and less onerous due diligence or compliance review requirements.

Conflict avoidance and resolution
The more trust your stakeholders have in your organisation, the more credibility they will show in your ability to handle conflicts of interest responsibly and sensitively. Their understanding of the course of action you determine will consequently be greater, even if it is not their preferred outcome.

This can produce benefits such as increased collaboration, reduced organisational stress and a low level of escalation of conflicts.

Good communications
The more trust stakeholders have in your organisation, the more belief they will have in the accuracy and completeness of the information you share with them and the more confidence they will show in sharing information with you and in your ability to treat it with appropriate discretion.

This can produce benefits such as more open, frank and effective exchanges on even the most sensitive matters.

Innovation
The more trust stakeholders have in your organisation, the less suspicion and reluctance they will show when you try out new things that you hope will be beneficial, and the greater their tolerance for risks associated with innovation.

This can produce benefits such as greater freedom to explore and experiment with new and improved product and services ideas, or alternatively, more efficient and cost-effective management and operating practices.

Internal governance
The more trust stakeholders have in your organisation, the more streamlined you can be in your internal decision-making processes, because there will be fewer needs for explanations and extensive justifications, and your stakeholders will be familiar with the way similar decisions were made. This can produce benefits such as greater responsiveness and freedom to act swiftly and decisively to make the most of opportunities as they arise.

It is important to note that even stakeholders who trust the organisation's leadership and believe it to be fully trustworthy, must still ask questions, challenge and monitor what is happening within the organisation. This enables stakeholders to be informed, identify inadvertent errors and make suggestions for improvement.

Barriers to trust
Barriers may sometimes arise that either inhibit your organisation's ability to improve trustworthiness (and so inspire trust), or otherwise prevent your organisation from gaining the full benefits of the institutional integrity approach.

In some cases, barriers may also actively increase the **likelihood of distrust**. Just as trust has origins both inside and outside your organisation, distrust is also caused by a number of organisational and environmental characteristics. Some barriers may arise simply because of the nature of your organisation's activities, which may drive the need for more effort to demonstrate trustworthiness.

Distrust is a major concern for managers. This is not simply because of the lost opportunity to benefit from trust outcomes. Distrust may also actively prevent your organisation's internal and external stakeholders from engaging and collaborating with trust-building initiatives. An organisation that has trust problems may find it increasingly difficult to build a trust-based culture.

Identifying the barriers to trust in your organisation can help you target the **most immediate priorities** for the management of organisational integrity. You may be able to identify some of the following indicative characteristics of barriers to trust in your own organisation, whether on a small or large scale:

Suspicious processes
If trust is low, any process that is obscure or private is likely to amplify distrust. This can be true, even if there is no actual wrong-doing.

If staff promotions are made on the basis of subjective input given by a small management group, other staff will be less likely to believe that the promotion was given for the right reasons.

Cliques

Generally, when groups form in an organisation, it causes rifts between those who are part of the group and those who are not. This is because they are both more likely to hold negative impressions of each other (sometimes called "out-group" prejudices).

If some managers form a clique, others will find it hard to trust them. They won't know how to communicate at the same level as the clique members, because of their status as "outsiders".

Unmet expectations

If you set expectations but then do not meet them, it will cause high levels of distrust in your organisation.

If a newspaper has built its reputation on an independent editorial stance and an even-handed perspective of all its news coverage, it will cause distrust if it starts to back the government's position as a matter of course.

Excessive oversight

Rigorous oversight mechanisms can detract from a stated commitment to integrity, because people will feel increasingly that their activities are constantly under scrutiny. Staff can become frustrated or fearful (in some cases leading to stress and sickness) and may adopt avoidance behaviours. Perversely, it can lead to such behaviour in previously observant individuals. This is largely due to resentment at the evidence of lack of trust implied by the oversight.

Insensitivity to the fragility of trust

A good reputation is built on trust, but trust is fragile and can never be taken for granted: failure to recognise this can erode years of investment in stakeholder trust.

Warren Buffett (one of the most successful investors in history, who was ranked by Forbes Magazine in 2008 as the richest person in the world) once famously observed that: "It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently". When he took over the troubled Salomon Brothers investment bank he felt that its reputation was its most valuable asset and the one that had suffered the most at that point. Put simply, his approach was: "Lose me money and I will be understanding: lose me reputation and I will be ruthless".

Chapter 7

Managing integrity in day-to-day operations

This module seeks to create awareness of the benefits that an integrity-based approach can bring if it is applied to all aspects of your organisation's management and operating practices. You can progressively "institutionalise" integrity as an "embedded" aspect of day-to-day management with internal and external stakeholders, decision-making and activities.

Managing integrity in an organisation is not a linear process. You don't "start at the beginning and work through to the end". You should not aspire to build integrity alongside but separate from day-to-day activities. Nor should you attempt to practise it distinctly as a stand-alone policy. First understand that "integrity" is not an "add-on" to your usual personal or organisational behaviour. It is not "something you do", but rather something which shapes your understanding of how and why you carry out your personal or organisational behaviour as a citizen in a community, as an employee in a company, or as a government functionary.

When thinking about your ethical dilemma, you need to consider each of the options available to you by considering the behaviours of all relevant stakeholders, related to their Accountability, Competence, Ethical behaviour, and lack of corruption.

The Integrity Lens

To plan your course of action, consider the 4 components of Integrity: the alignment of Accountability, Competence, and Ethical behaviour without corruption/with corruption controls. You need to ask yourself questions according to each element of Integrity in order to develop your planned course of action that a) is consistent with integrity, and b) ensures Accountability, Competence and Ethical Behaviour are all aligned and heading towards the goal of greater integrity, without corruption.

Let us review the 4 elements of Integrity, including the sub-elements under each:

Accountability

Ask yourself:

Who are the stakeholders and what are their interests?

Will stakeholders be able to check that we do what we say we do?

Are the stakeholders being accountable? How or how not? If not, is there something I can do to encourage this?

Will my actions ensure:

- transparency,
- access to information,
- consistency of information provision,
- social responsibility, and
- clear records keeping?

Competance

Then ask yourself:

Will my course of action demonstrate standards of performance quality?

Are the other stakeholders working competently? If not, is there something I can do to encourage this?

Do I demonstrate:

- professionalism,
- effectiveness,
- reliability,
- responsiveness, and
- high quality work?

Ethical behaviour

Then move on to the next element and ask yourself:

Will my conduct in pursuing my goals meet expected standards of honour and public benefit?

Are the other stakeholders behaving ethically? If not, is there something I can do to encourage this?

Will my planned actions demonstrate:

- trustworthiness
- fairness
- honesty
- lawfulness
- commitment to anti-corruption
- social justice
- respecting rights
- confidentiality?

Without corruption/with corruption controls:

Finally, move to the next elements and consider:

Will I and other stakeholders be abiding by the procedures and policies that should be in place to make corruption difficult?

Will my planned actions clearly demonstrate:

- clear messages that corruption is unacceptable,
- public behaviour that rejects corruption in ourselves and others,
- support for anti-corruption agencies, procedures and policies, and
- encouragement for integrity champions using integrity tools?

Managing with integrity

Your organisation's commitment to managing integrity means that, over time, it should view all its activities through the Integrity Lens (i.e., applying each of the elements of integrity to the situation, the stakeholders, and

in decision-making) as a matter of standard practice. Your organisation's activities and the outcomes they generate should align with its values in a continuous (i.e. ongoing, non-stop) - rather than continual or serial (i.e. recurring regularly and frequently) - process to protect, develop and strengthen its trustworthiness in the eyes of its stakeholders, performing competently and in an ethical fashion.

If you are going to claim to be value-driven, then these values must be employed in practice. All employees have a role to play in this. The values of your organisation set out the expectations that it advertises to its stakeholders. Lack of alignment between performance and claimed values indicates a lack of trustworthiness. This creates the potential for loss of stakeholder trust.

Integrity should, in a sense, be considered as the "organisational DNA": something that shapes, guides and informs every aspect of what your organisation does. Your organisation should therefore try to demonstrate that it acts with integrity in all that it does.

Decision-making with integrity

The decision-making process itself is a test of your organisation's integrity. This holds true from board level downwards, whether in relation to macro issues (e.g. organisational strategy); *meso* issues (e.g. the procurement process), or micro issues (e.g. individual behaviour). A pro-integrity values-based approach to management means that your organisation must empower and guide its employees (i.e. managers and staff) to exercise their discretion and judgment. It must then rely on them to do so.

In many cases, the decision on any given activity or course of action will be straightforward. It is to some extent intuitive, based on the values of the organisation. However, your employees will be called upon to act with integrity in many situations that arise for which no explicit guidance exists. It is impossible to foresee all eventualities. This is particularly significant when your organisation operates in a poor governance environment.

Performance standards and indicators

It is possible to define boundaries of expected behaviour in the form of standards. You can then offer guidance on how to reach a decision to fit the circumstances within

those boundaries. The Integrity Lens can be used in support of a structured process of situational analysis (i.e. to identify existing causes of problems) and/or a planning and decision-making process (i.e. to determine a course of action going forward).

You can encourage and coach your employees to:

- analyse (or deconstruct) situations with which they are confronted, before proceeding to act. They should avoid taking things at face value and not simply opt for the easiest, or most obvious course of action;
- apply the Integrity Lens to different potential approaches (i.e. desired outcomes and the outputs that will be required to achieve them), their consequences and impacts, weighing up potential conflicts in the process, both for the organisation and its different stakeholders;
- consider sometimes imaginative and creative approaches that best serve the interest of your organisation and its stakeholders from an integrity perspective, accepting that the most obvious - or most direct solution - to a challenge (and corresponding allocation of resources) is not necessarily the most appropriate;
- be prepared to make what are sometimes difficult decisions, where different interests cannot easily or obviously be reconciled; and
- be ready, willing and able to account for their decisions.

From a management perspective, this means putting in place the capacities, knowledge and systems that staff need to use institutional integrity effectively.

The Integrity Lens invites you to ask yourself whether your organisation is demonstrating characteristics of integrity in relation to any given course of action (i.e. an aspect of its management and operating practices). You should look at two aspects of any given course of action through the Integrity Lens: (i) the **outputs** (including behaviour and its underlying causes) that produce an outcome; and (ii) its **outcome** (including its impact on different stakeholders).

Both output and outcome must demonstrate integrity, in relation to which there is no "wrong way to do the right thing" (i.e. the end does not justify the means), any more than there is a "right way to do the wrong thing".

Example

A hospital needs to gain clearance at the customs warehouse for the release of a drugs shipment that is being held there. The outcome it seeks is the ready availability of necessary drugs with which to treat patients. Seen through the Integrity Lens, the outcome therefore demonstrates alignment, competence and ethical behaviour. However, let us consider the situation if a bribe is paid to secure timely release of the drugs. An employee might justify doing this (to him-/herself, if no-one else) because of the outcome. But the behaviour applied to gain release of the drugs (i.e. the payment of a bribe) is unethical. This fact alone should cause a review of alternative courses of action.

1. Here we are asking you to look at your intended action from the perspective of both output (what you do) and outcome (what state or situation results).

2. If you are sure that your organisation is demonstrating characteristics of integrity in relation to both outputs and outcomes, you can continue. If you are unsure, it is a prompt to consult with others.

3. If you are sure that it is not demonstrating integrity, you should determine an alternative approach.

4. Viewing any given course of action through the Integrity Lens in this way can provide guidance on how to approach it, in terms of:

   • continuing with the course of action, because the elements of alignment, competence and ethical behaviour without corruption are present;

   • launching an integrity improvement initiative designed to address any perceived shortcomings (i.e. integrity gaps) that inhibit the presence of the three elements; or

   • not continuing, because one of the elements is lacking and it is unlikely ever to be present for this activity. In this case, a new approach is required.

Institutional integrity only becomes a reality if you act in ways that demonstrate alignment, competence and ethical behaviour in overcoming the obstacle (whether social or related to organisational structure) that is preventing stakeholders' needs from being met.

Life is rarely straightforward. Stakeholder interests vary and sometimes compete. Circumstances and situations sometimes dictate the need for a decision that will bring organisational values into conflict. Both situations can create dilemmas for your organisation.

An organisation whose values comprise both service excellence and respect for its employees' right to a work/ life balance can find these values in conflict when faced with a choice between meeting client demands by having staff work overtime, or failing to meet an agreed client commitment, because staff stop working at the end of the normal working day.

You can't please all of the people all of the time. It is almost inevitable that, in every case, some stakeholders may neither like, nor agree with, your organisation's decisions or actions. Your organisation will make decisions that involve a compromise of one or more organisational values, precisely because they come into conflict with each other.

In such cases, however, institutional integrity can be preserved if, when viewed through the Integrity Lens, the decision-making process itself demonstrates alignment, accountability, competence, ethical behaviour and corruption control. All stakeholders can respect and understand why you have acted in a given way, even if they do not agree with your decision. This in itself can inspire their respect and their trust.

Performance Standards and Indicators

Managing integrity means expressing through action, not just well-meaning statements of policy. Your organisation cannot demonstrate greater integrity merely by stating that "things will get better". It is not sufficient simply to have good intentions: "actions speak louder than words".

Bribery (both solicitation and payment) will not cease simply because your organisation states that it won't be tolerated. Communication between managers and staff will not improve just because everyone agrees that this would be "a good thing". You need to focus on managing and enhancing the practices you have in place to prevent the practice of bribery and promote good communication.

Organisational values need to be articulated in a manner that can guide action on specific activities. Desired outcomes are the starting point for this process, as they reflect performance expectations. The expectations themselves should be linked to standards of behaviour that reflect your organisation's values. These can then be measured using performance indicators.

Performance Standards

Standards are key to maintaining and strengthening integrity within your organisation. They do not simply flow from value statements. An understanding of how these components contribute to long-term organisational success and how they can be managed must inform their development.

The value of "honesty" has to be rendered into a form that can guide action on specific activities. For example: non-acceptance of gifts worth over US$XX, and a maximum expenditure of no more than US$XX per day for subsistence when travelling overseas on business.

A standard therefore represents a benchmark of required performance to apply in different areas of management and operating activity. Standards should be widely communicated, both within your organisation and to external stakeholders.

Standards can be legal, professional or voluntary.

Legal Standards

A legal or regulatory standard represents a minimum requirement. Failure to comply with the required standard opens up individuals and possibly your organisation itself to legal sanction.

By law, a medical doctor must have a medical license to treat patients. If this is not the case, both the "doctor" and the clinic employing him/her risk criminal sanction.

Professional Standards

Professional standards are imposed as a condition of practising a given profession. Failure to comply with the standards can lead to sanctions by professional bodies appointed to safeguard professional practice.

It is not illegal for a doctor to enjoy a romantic liaison with a patient. Yet in many countries, professional standards dictate that any doctor found to be involved in such a relationship with a patient can be sanctioned by the relevant professional medical body for professional misconduct.

Voluntary Standards

Voluntary standards are those with which your organisation expects its staff to comply, even though not imposed by law or professional requirements. Failure to comply can give rise to internal disciplinary proceedings and possible sanction.

To avoid any potential tensions arising in the workplace, a clinic might ban doctors from working directly with anyone with whom he/she enjoys a romantic liaison. To the extent such a relationship arises, one or other of the people involved may be moved to another area of the clinic.

The legal or regulatory standard always sets the minimum standard required. Professional standards are also compulsory, since failure to comply puts your ability to practise and therefore your reputation at risk. Voluntary standards are those that your organisation feels serve its best interests. They should be informed by stakeholder expectations.

Useful reference material - Please respect the copyright terms of use of sites suggested. The materials in these references do not necessarily represent the positions of Integrity Action, but they can help you access professional organisations' websites that offer free materials related to non-profit, public sector and business organisational development.

Description	Source
Managing with integrity	Charles E. Watson (1991) Managing with Integrity. Praeger Publishers.
	Muel Kaptein (2005) The 6 Principles of Managing with Integrity: A Practical Guide for Leaders. Spiro Press.
How to write performance standards	blink.ucsd.edu/HR/supervising/performance/standards.html#3.-Determine-success-criteria-f
Performance indicators	www.indiana.edu/~uhrs/training/performance_management/define.htm
Performance indicators. Includes a survey to assess whether your organisation will use performance indicators wisely.	www.mapl.com.au/A1A.htm
16 Ways to measure performance.	www.hrworld.com/features/16-ways-measure-performance-021908/
Measurable performance standards.	strengtheningnonprofits.org/resources/e-learning/online/outcomemeasurement/default.aspx?chp=0

Stakeholder engagement[56]

The use of organisational integrity relates to managing and building trustworthiness, with a view to inspiring trust in stakeholders. Direct engagement with the stakeholders whose trust you are looking to inspire offers the best way to establish what their expectations of your organisation are. It also facilitates an understanding of the extent to which they believe you meet them. This in turn provides the basis for the development of integrity improvement initiatives.

Stakeholders are individuals, groups, institutions or other entities that have an interest in your organisation: either they are impacted by your organisation's activities and/

or have an influence on its ability to deliver its stated mission and goals. Stakeholders can have both a positive or negative impact on an organisation, just as its effect on them can be both positive and negative.

An approach of managing organisational integrity is focused on improving trustworthiness to internal and external stakeholders as a means of inspiring their trust. It is therefore important for your organisation to be aware on an ongoing basis of **who your stakeholders are** and **what their vested interest** is in your organisation. It is, of course, also important to understand **what your organisation's vested interest** is in each of the stakeholders.

---

[56]Adapted from www.odi.org.uk/resources/details.asp?id=5257&title=stakeholder-analysis. Additional link: www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide'*, Integrity Action. London 2014 ; pages 20-21

This in turn will involve an understanding of issues such as:

- the type of relationship each stakeholder has with your organisation (e.g. contractual, casual) and on what basis (e.g. commercial, social);
- which stakeholder groups should be prompted to participate in certain aspects of your organisation's affairs;
- the trust-building strategies you can adopt to engage with different stakeholders;
- the risks and conflicts that may arise with and between different stakeholders; and
- what ways are open to reduce negative impacts on vulnerable groups.

What insights can be gained from stakeholders, in terms of the way they experience your organisation (e.g. Try to think of examples of the relative claims on your organisation by different stakeholders).

By interacting with your stakeholders, you will understand their perceptions. You will get a sense of which aspects of your activities and performance they deem to be most important, in terms of the trustworthiness you demonstrate. You will be able to identify areas in which you need to focus on strengthening integrity and manage them. When interacting with stakeholders, it is important to understand **why** you are doing it, **when** to do it and **how** to do it.

Exercise
Discussion

**Step 1:** Start by clarifying the objective being discussed.

Step 2: Identify all the stakeholders or interest group representatives.

Step 3: Organise the stakeholders according to their interest and power, which is one way to analyse stakeholders. 'INTEREST' measures to what degree they are likely to be affected by the project/policy change in question, and what degree of interest, investment or concern they have in or about it. 'POWER' measures the influence they have over the project or policy, and to what degree they can help achieve, or block, the desired change. Where possible, it is important to fully engage stakeholders with high power and interests aligned with the organisation. If trying to create policy change within the organisation, these people are the targets of any campaign. Stakeholders with high interest but low power need to be kept informed and, if organised, they may form the basis of an interest group or coalition that can lobby for change. Those with high power but low interest should be kept satisfied and ideally brought around as patrons or supporters for the proposed changes. Be sure to pay attention to spoilers. These are 'opponents' who actively harm or hinder some of the work within the organisation. This is sometimes because they have a personal stake in the status quo and sometimes because they were not properly consulted or given their due consideration in the process of change.

Step 4: Develop a strategy for how best to engage different stakeholders. In the following 'Stakeholder Analysis Grid', you see four options for how to engage with your stakeholders:

- If Power to influence is low, and Interest is low, you just need to monitor the stakeholder and note any changes/issues/problems that need attention
- If Power to influence is high and Interest is low, you need to keep them satisfied (with whatever agrees with what they like/want, etc)
- If Power to influence is low and Interest is high, you need to keep them informed by providing information, messages related to the objective being discussed, etc.
- If Power to influence is high and Interest is high, you must engage them closely and influence them actively.

**Figure 15: Stakeholder analysis grid**
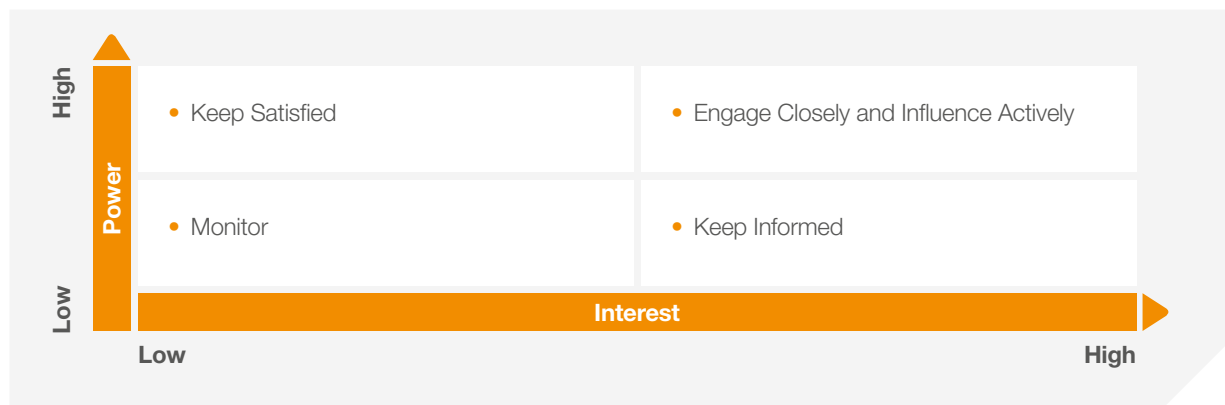
Stakeholder Mapping

"Stakeholder mapping" is a process to identify and prioritise key stakeholders, based on their importance to your organisation and your organisation's importance to them. Stakeholder mapping is useful at any time and on an ongoing basis, as a means to ensure you are not overlooking an important stakeholder's concerns. The degree of stakeholder importance can vary, depending on the issue subject to review.

When assessing levels of integrity relating to the teaching offered by a school to its pupils, the concerns of teachers, pupils and parents will be of much greater direct relevance than those of the school's suppliers. However, the concerns of suppliers cannot be overlooked in any overall assessment of integrity levels. If they perceive that the school is untrustworthy in its dealings with them (e.g. because they believe the school does not pay for services in a timely manner), the risk exists that necessary supplies to the school (e.g. electricity, teaching materials) will be affected, which in turn will compromise the school's ability to maintain its standards of teaching.

Identifying and prioritising stakeholders can focus your interaction with key stakeholders, to better understand what motivates their trust, what integrity gaps might exist and what integrity improvements you can undertake to address them. This process will involve developing standards and indicators of performance that address stakeholders' trust-based expectations. The interaction can also help you to evaluate performance on an ongoing basis.
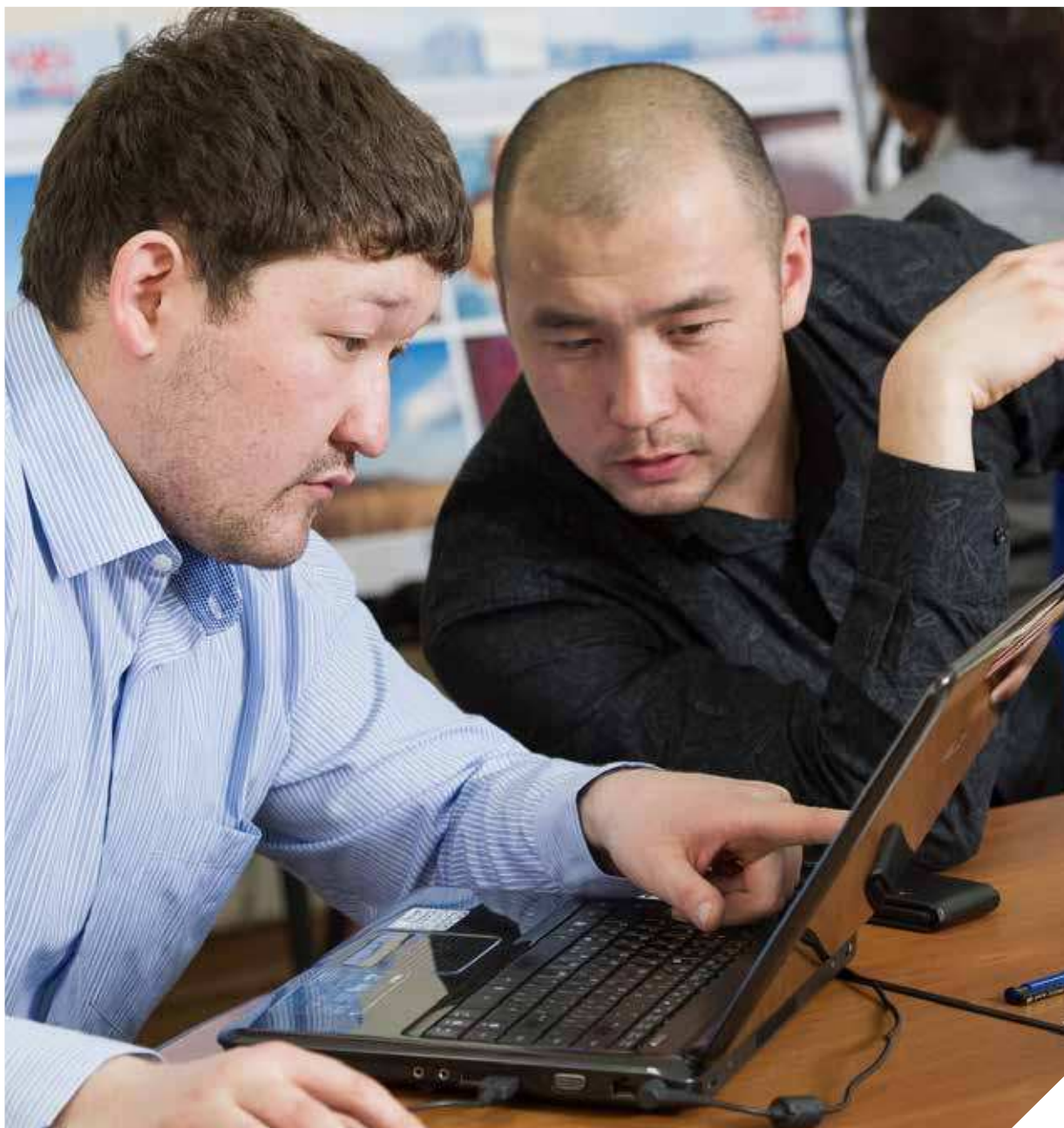
Exercise

Stakeholder mapping

A stakeholder mapping exercise should involve a team of managers and staff familiar with the activity that is subject to review. A member of your organisation's Integrity Working Group (if you have one) can facilitate it. It should comprise two key elements:

1. Stakeholder identification (i.e. to develop a list of the internal and external stakeholders relevant to the activity under review);

2. Stakeholder prioritisation (i.e. to determine relative stakeholder importance to your organisation in relation to the activity under review).

The key element of an effective stakeholder mapping process is (as far as possible) to replace subjectivity with objective measures and to make the assessment process transparent. This transparency will allow the basis of any assessment to be clearly understood by others. It will also facilitate review and updating as appropriate.

Stakeholder Identification

As a first stage of the stakeholder mapping exercise, the team should draw up a list of the names of any individual, group, institution or other entity with whom your organisation interacts in relation to the activities under review, for example

Figure 16: Examples of stakeholders

Stakeholder group	Examples		
	Hotel	**School**	**Media company**
Customers	Residents Bar/restaurant guests Function attendees	Pupils Parents	Readers Advertisers
Employees	Executives Management Other staff	Principals/Administration Teachers Other staff	Editorial staff Journalists Other staff
Suppliers	Food and beverages Laundry Security	Books/stationery Energy Cleaning	Paper Printing Distribution
Investors	National/international investment agencies Corporate shareholders	National/international investment agencies	National/international investment agencies Corporate shareholders
Donors	International, national and/or regional development agencies	International, national and/or regional development agencies	International, national and/or regional development agencies
Creditors	Banks	Banks	Banks
Government	Ministry of Tourism, Consumer Affairs, Employment	Ministry of Education, Social Affairs, Employment	Cabinet Ministry of Information, Employment
Regulators	Office of Fair Trading	School Board	Press complaints
Local communities and society at large	Lobby groups, NGOs, NPOs and/or CBOs: Community safety Religious observance Environment	Lobby groups, NGOs, NPOs and/or CBOs: Teachers' Union Catchment area Educational charities Employment	Lobby groups, NGOs, NPOs and/or CBOs: Political causes Human rights Social affairs

The potential list of stakeholders in relation to any review process is likely always to exceed your organisation's capacity to engage meaningfully with them all. The challenge is therefore to ensure that you focus on the most important stakeholders, prioritised according to the activity under review.

Stakeholders are sometimes classified as "primary" and "secondary", though this terminology should not be taken as an indication of the relative importance of engagement with them in every circumstance. Different pressures and priorities exist in relation to primary and secondary stakeholders.

Primary Stakeholders

Primary stakeholders are those whose continued participation is considered absolutely necessary for the survival of your organisation. They either directly benefit from the products and/or services that your organisation provides (e.g., clients, patients, pupils), or are directly involved in processes to deliver them (e.g. employees, creditors, suppliers).

Secondary Stakeholders

Secondary stakeholders are not considered absolutely necessary for your organisation's survival. They can nonetheless have a significant influence on your effectiveness and efficiency (e.g. the media, trade associations, pressure groups and other interest groups). Even remote secondary stakeholders can exert pressure, by calling into question your organisation's legitimacy and right to exist (i.e. its "licence to operate").

Guests are necessary for a hotel's survival. If it doesn't have guests, it has no revenue stream and will eventually be forced to close down. Yet one dissatisfied hotel guest may be viewed with less immediate urgency than a negative media article, because of the more widespread negative influence that the latter can have on the reputation of the hotel.

Stakeholder Prioritisation

As a second stage of the stakeholder mapping exercise, the team should:

Determine, in relation to the activities under review, the evaluation criteria for the mapping exercise by reference to:

- The **influence** that each identified stakeholder can have on your organisation's ability to achieve an objective or maintain a state of affairs (e.g. in terms of what the stakeholder contributes to your organisation, what your organisation gets out of the relationship and what the degree of your dependency on the stakeholder is); and
- The **impact** that achievement of an objective or maintenance of a state of affairs has on each stakeholder (e.g. in terms of what your organisation contributes to the stakeholder, what the stakeholder gets out of the relationship and what the degree of its dependency on your organisation is).

Evaluate the importance of each identified stakeholder in relation to the activities under review by reference to such criteria.

The greater the combination of impact and influence each stakeholder has, the greater the priority to be attached to consultation with it in relation to the activity under review.

It is important to understand the character of each stakeholder's relationship with your organisation. Not all stakeholders build trust according to the same criteria. In considering how best to build trust with stakeholders, you can think about **frequency** (i.e. how often they deal with you) and **intensity** (i.e. the proportion of their dealings that are with you, as compared to others). Thus, for example, staff will be high frequency, high intensity stakeholders. Such stakeholders tend to value behaviour that illustrates **benevolence**, whereas for stakeholders with low frequency and/or intensity, **managerial and technical** competence tends to be more highly valued. Your organisation should accordingly think about what package of trustworthy performance will work best for each stakeholder, or group of stakeholders.

Stakeholder interaction

Engagement with stakeholders should be an ongoing process. However, it is particularly useful in relation to any integrity improvement initiative. It can help you identify integrity gaps and challenges, determine and/or refine related standards and performance indicators and evaluate performance.

You can engage with stakeholders in different ways, such as:

- Individual meetings and interviews (e.g. by telephone or face-to-face)
- Focus groups; other structured group meetings (e.g. staff meetings, community forums)
- Feedback forms (e.g. customer satisfaction forms; staff 360° feedback)
- By survey
- Anecdotally, in the course of day-to-day interactions.

It is important to ensure that you engage with the right people (e.g. at the right level, if with another organisation) to achieve the quality of input you require.

Similarly, each approach varies in formality and complexity. Your choice of which approach to use will depend on circumstances and what you are looking to get out of the interaction. In each case, however, the interaction should be structured. It should be managed to ensure that stakeholders are "heard", but that they do not leave the interaction with unrealistic expectations, or empty promises.

You should aim to strengthen your understanding of existing trust levels, obstacles to trust and expectations of demonstrable performance (i.e. desired outcomes) that will help remove the obstacles. Therefore, knowing your stakeholder's attitudes and expectations can help identify an integrity gap (i.e. the gap between what you do and what your stakeholder considers worthy of trust) and provide the basis for an integrity improvement initiative.

This can be tabulated as follows:

Figure 17: Integrity gaps by stakeholder

Stakeholder	Concern	Performance expectation	Integrity gap	Unmet value proposition
Clinic patients	X-ray machine often not operational during clinic opening hours, meaning patients have to wait for long periods, or return another day.	Timely access to appropriate medical treatment.	Patients are not treated properly, leading to more serious complications (i.e. patient welfare compromised).	Excellence in healthcare.
Pupils	Classes overrun their allotted time span, meaning that classrooms are not available for subsequent classes to use on time.	Sufficient space available when required for teachers to commence and conduct their classes.	Pupils are frustrated, leading to distraction and disaffection, with a corresponding drop in learning ability.	Teamwork.
Consumers	Product labelling on tinned food is incomplete in relation to all ingredients and their possible side effects or implications (e.g. nut allergies; religious implications).	Ability to buy and consume a product, safe in the knowledge that it contains no potentially harmful ingredients.	Consumers lack confidence in products, leading them to seek alternative sources.	Transparency.

Useful reference material - Please respect the copyright terms of use of sites suggested. The materials in these references do not necessarily represent the positions of Integrity Action, but they can help you access professional organisations' websites that offer free materials related to non-profit, public sector and business organisational development

Description	Source
Stakeholder methodologies	www.stakeholder-management.com/shopcontent.asp?type=methodology-description
Stakeholder analysis	www.odi.org.uk/resources/details.asp?id=5257&title=stkaeholder-analysis
Stakeholder mapping	stakeholdermap.com/
Stakeholder management	www.mindtools.com/pages/article/newPPM_07.htm
Prioritising stakeholders	publicsector.sa.gov.au/wp-content/uploads/changesa/Prioritising_your_stakeholders.pdf
Stakeholder engagement	www.ic.gc.ca/eic/site/csr-rse.nsf/eng/rs00139.html
How to do interviews with stakeholders	www.presencing.com/tools/stakeholder-interviews
How to conduct focus groups with stakeholders	www.managementhelp.org/evaluatn/focusgrp.htm

Performance

Management effectiveness has traditionally been assessed by reference to the achievement of results (e.g. established objectives and/or performance targets).

If your organisation earns more money selling the products and/or services that it delivers than it spends on producing and/or delivering them, it can be described as profitable. If you set out to raise funds to equip a hospital with a new X-ray machine, your success is proved by the delivery and installation of the equipment.

Performance measurement at organisational, business unit and individual level should reflect the commitment to integrity that the organisation has made. As illustrated by Figure 18, a values-based, integrity approach should maintain the traditional focus on delivery of intended results, while also assessing behaviours evidenced in the process. In other words, performance evaluation should address not only what is achieved, but also how it is achieved.

Figure 18: Evaluating integrity performance
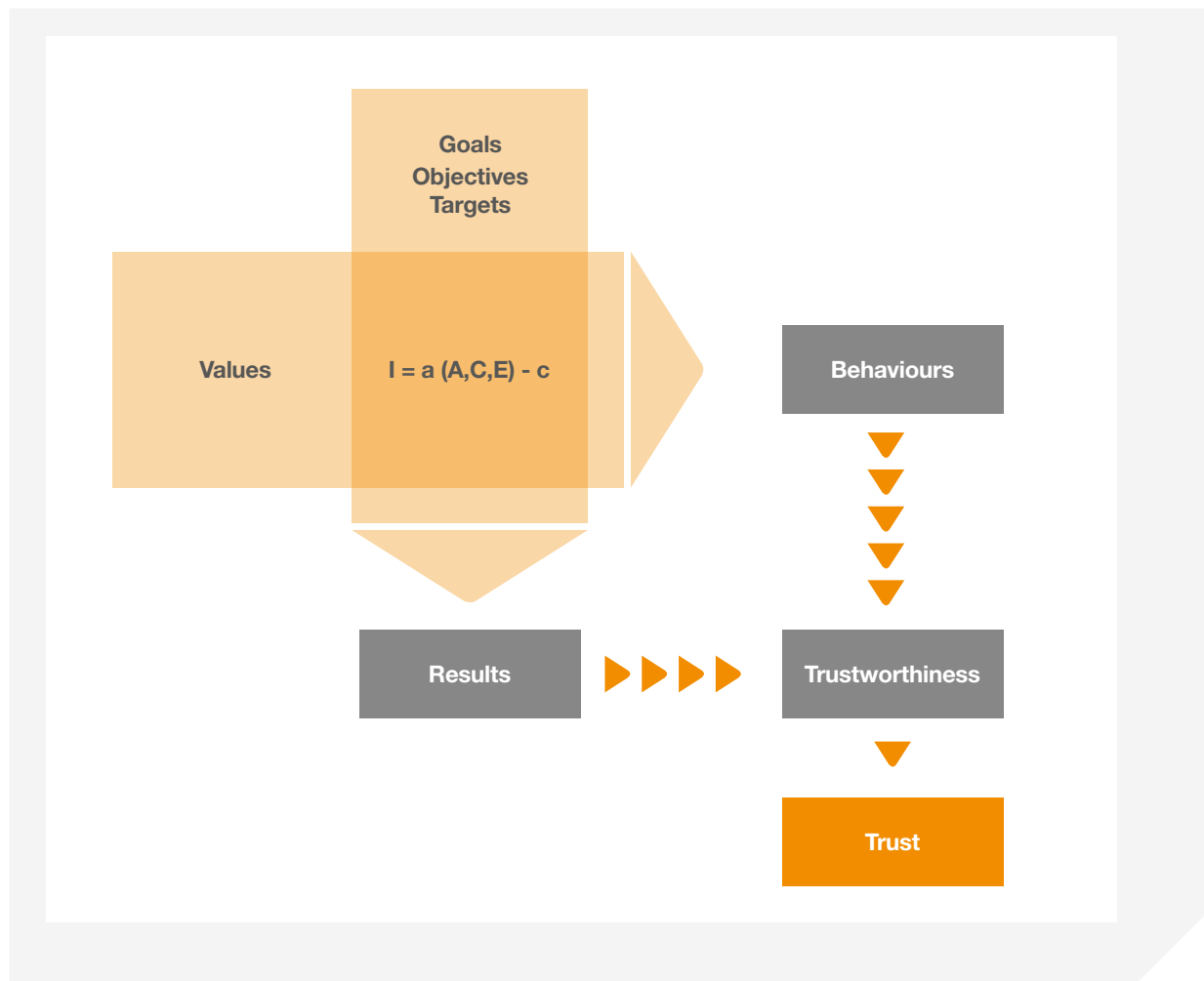

Figure 8: Integrity definition

So what constitutes Integrity?

Integrity: I = a (A, C, E) – c

**Integrity is the alignment (a)
of Accountability (A)/Competence (C)/and Ethical behaviour (E),
without corruption (c)**

"without corruption" includes the implementation of corruption control mechanisms

Integrity-based performance looks not just at profitability, but the extent to which customer expectations as to, for example, service levels and product quality are met. It is based on an assessment not just of whether a clinic is functional and has all the necessary equipment available, but whether, for example, doctors talk to patients in layman's language that helps them clearly understand a diagnosis, its implications and how it can be treated.

Delivery of organisational goals in a manner that reflects organisational values gives an indication of institutional integrity. The argument of "the end justifies the means" is not relevant. Where integrity is concerned, the means to the end are directly linked to the end itself - in fact, the means is an integral part of reaching the end with integrity.

This will help to determine whether you have set integrity priorities and allocated resources appropriately. It will also provide the basis for an integrity gap analysis. This in turn will provide an indication of areas of focus to strengthen institutional integrity, in the form of specific integrity improvement initiatives.

Outcomes

The desired outcome of improved trustworthiness is evidence of increased trust and enhanced reputation as expressed by internal and/or external stakeholders. Your organisation should therefore gather data indicating whether, in the eyes of internal and/or external stakeholders, your organisation is in fact considered trustworthy. This can include determining whether and to what extent stakeholders appreciate certain attributes of your organisation that can serve as proxies for trust (in terms of accountability, competence, ethical behaviour, control of corruption and the alignment of these).

Stakeholders will base their perception on their experiences of your organisation, which in turn determines to what extent your organisation can enjoy the benefits of stakeholder trust as an asset.

Periodic stakeholder surveys offer the best medium to gather this data. There are many types of surveys to gather relevant data (e.g. customer satisfaction, staff satisfaction, climate survey). Your organisation can develop a survey for just about any stakeholder, stakeholder group or activity that you want to. In each case, from an integrity assessment perspective, the most important thing is that your survey is focused on the aligned accountability, competence and ethical behaviour of the issue under review (e.g. the organisation as a whole; a specific operational process or activity). It is only by gathering data with this particular focus that you will be able to assess stakeholder perceptions of your organisation's trustworthiness.

Surveys are particularly useful before and after your organisation has undertaken integrity improvement initiatives. A survey beforehand can identify integrity gaps and also provides a useful baseline. Surveys that are conducted afterwards can offer the means to assess whether stakeholders' perceptions of your organisation's trustworthiness have improved or if their satisfaction with the organisation's performance has improved.

Surveys can also allow for a comparison between the perception of your organisation's trustworthiness and that of the sector in which it is active. This is also useful for benchmarking purposes. Given that the level of trust is difficult to influence, relative trust between similar organisations (within an industry sector for example) offers an important additional indicator of your organisation's trust-building performance.

Finally, it is important to conduct surveys regularly. This will keep data current, allow for ongoing benchmarking and send a strong signal to your stakeholders that their opinions and experiences matter to you.

Conclusion

Managing with integrity is not easy. In all countries, corruption, maladministration and misconduct are daily occurrences. Those leaders and managers – whether in government, private sector/business or civil society - interested in their country's development must be bold, brave and determined to implement a reform agenda that focuses on strengthening national integrity.

Numerous tools and processes have been presented in this module that will help build your integrity toolkit. Important skills and practices include:

- building a strong foundation in the form of its organisational platform;

- being accountable, competent and ethical with corruption controls in place;

- sending a strong, clear message about the organisation's commitment to a culture of integrity to your employees, partners, suppliers and clients;

- building trust based on being worthy of that trust by performing with integrity;

- using the Integrity Lens to analyse ethically challenging situations and guide decision-making; and

- develop a culture of integrity, model integrity behaviour and review organisational values, codes and guidelines periodically.

Section 2   Integrity

Module 5
Compliance and Integrity

Section 5 Compliance and Integrity

Purpose of this module

The purpose of this module is to introduce you to the concepts of compliance and integrity and help you understand what distinguishes between the two approaches. In this context, the ultimate desire for many people is to reduce corruption.

In every institution there will be certain internal rules and regulations which are derived from the legal environment of the country, and there will be other supplementary rules and regulations which are set up by the institution. In this module we discuss a compliance based organisation which has both proactive and reactive practices; and the integrity based organisation, which also has proactive and reactive practices, but with significant differences between the two approaches.

In order to make sure that the learner in this module is clear about some of the fundamental vocabulary and integrity intentions of Integrity Action, the next section repeats a chapter from the module "Understanding integrity". Some elements of this module have already been covered, with a different perspective, in the module "Integrity in management". It is also suggested you take a look at that module if you have not already done so.

This module contains examples and exercises, but will only be powerful if it is strongly infused with examples from the lives of those who are learning through this module. It is important to make sure that the module is realistic and corresponds with the real world from which the participants are drawn.

Chapter 1

Looking again at 'Understanding integrity'

Learners who have been following these modules in sequence, will be familiar with the module "Understanding integrity". If they have not been through this module previously, they are urged to read this complementary module from Integrity Action. Even if they have been taught it, they are encouraged to re-visit the condensed version

of it here. This explains Integrity Action's formulation of integrity, and is the basis for the way that Integrity Action thinks and works.

Integrity Action has formulated the following equation which sums up what the concept of Integrity comprises:

Figure 8: Integrity definition

Integrity: I = a (A, C, E) – c

Integrity is the alignment (a)
of Accountability (A)/Competence (C)/and Ethical behaviour (E),
without corruption (c)

"without corruption" includes the implementation of corruption control mechanisms

Characteristics of integrity

To help us understand the different components of Accountability, Competence, Ethical behaviour, and absence of corruption better, let us look at the following list of their characteristics. In each case, do you agree that these characteristics illustrate and illuminate the four main elements? Are there other traits that you would like to add?

These characteristics also suggest to us what we need to do in order to achieve the goal of integrity.

Characteristics of the elements of integrity (1)

What are some of the characteristics of **Accountability?**

- Transparency
- Access to information
- Consistency
- Social responsibility
- Clear record keeping
- Openness to stakeholders

Characteristics of the elements of integrity (2)

What are some of the characteristics of **Competence?**

- Professionalism
- High quality work
- Effectiveness
- Reliability
- Responsiveness to stakeholders concerns
- Good stewardship of resources

Characteristics of the elements of integrity (3)

What are some of the characteristics of **Ethical behaviour?**

- Trustworthiness
- Fairness
- Honesty
- Lawfulness
- Social Justice
- Respecting rights
- Confidentiality

Characteristics of the elements of integrity (4)

What are some of the characteristics of **corruption controls?**

- Policies and procedures that set legal and social standards against corruption
- Zero tolerance for corruption, our own or of others
- Incentives for those promoting integrity
- A clear public stance against corruption
- Support for anti-corruption practitioners and agencies
- Encouragement of anti-corruption champions
- Discouragement of impunity

This means that **integrity exists** when:

Accountability is present

i.e. being open to all legitimate stakeholders to allow them to check that we or our organisation is doing what it says it is doing.
and

Competence is present

i.e. having and deploying the skills and capabilities required to achieve personal or organisational goals
and

Ethical behaviour is present

i.e. behaving in compliance with a set of principles and commitments that are established to guide decision making and behaviour - a consciousness of what is legally, morally, professionally important, obligatory or permissible
without

corruption

i.e. having no tolerance for or practice of corruption
and

these four elements are aligned with each other

i.e. having consistency towards a common goal such as what you or your organisation intends and/or says it is going to do, and what it actually does.

To understand these five elements more fully, please see the passage below[57]

Accountability

Accountability is both the ability of key stakeholders to check that we do what we say we do, and responsiveness to legitimate internal and external claims. Individuals may have integrity without accountability, but it is an inherent part of the social contract that institutions, especially public ones, are to a greater or lesser degree held accountable, both vertically and horizontally. Without such accountability they may be honest in the sense that they may not be deceiving or cheating, but are in effect acting with impunity. A precondition for effective accountability, in turn, is some level of transparency. Transparency does not have a value in itself; it has value when it improves accountability in meaningful and useful ways.

Competence

Competence is the ability to do something well. Without competence an individual or organisation may have good intentions and be honest in the narrow sense of the word, but if an organisation doesn't deliver good infrastructure, healthcare or education, it would not, ultimately, be acting with integrity. Moreover, competence is a contextual norm. A doctor trained and educated in Germany may win accolades for competence in her native country, but might despite her best intentions not perform well in a refugee camp in central Africa - under duress, with limited access to medicines, and under poor sanitary conditions. Competence in one setting does not always translate into competence elsewhere.

Ethics

We define ethics as behaving with honour and public purpose. Ethical norms are contextual and what constitutes a public purpose or public good will often be disputed, even within a small, seemingly homogenous community. Despite the inherent challenges of defining ethics, the willingness to engage with core values and issues that are in a wider public interest, such as the environment, access to justice, public infrastructure, etc. is inextricably bound with the question of organisational integrity. Without any reference to ethics, integrity can more simply be defined as "the full application of rules and laws" or as "doing what I say I will do."

Corruption control

The final factor which fatally undermines organisational integrity is corruption. Corruption, the abuse of entrusted power for private gain, is one of humanity's more resilient and adaptive phenomena. It will not be eliminated through traditional accountability measures, nor by raising standards of competence or even by having open dialogues or agreeing on a common set of ethical norms.

---

[57]www.integrityaction.org/statistics-measuring-fix Fredrik Galtung. *'The Fix-Rate : A key metric for transparency and accountability. Working Paper No. 2'*, Integrity Action. London 2013. (page 15)

A major lesson of the last twenty years of activism and institution building in the field of anti-corruption is that effective deterrence and enforcement of anti-corruption norms requires a set of dedicated and overt resources and institutional mechanisms, which must, in turn, be complemented by other institutions.

Alignment

Alignment denotes consistency between what your organisation intends and/or says it is going to do (e.g. your vision, mission and goals) and what it actually does. It also denotes consistency between the behaviours that your organisation considers to be important (e.g. your

values) and the way it actually behaves. It can be described as "organisational wholeness", in the sense of your organisation's collective focus on a common purpose and that the constituent parts of your organisation "line up" as a whole, focused on its goals.

Alignment means that management and staff demonstrate behaviour that encourages the organisation to flourish. It denotes the extent to which your organisation synchronises its activities, so that its various constituent elements present a common, seamless front to others and the extent to which it works together as a team to implement its strategy and achieve its purpose.

Chapter 2

The compliance based organisation

The compliance based organisation

Any institution or organisation which is keen to avoid corruption and practices that encourage corruption will need to proactively develop a basic organisational compliance platform that will demonstrate to itself, its staff and its stakeholders that it complies with the laws of the land and implements the best practices for corruption control.

Recognising the importance of the compliance platform, Integrity Action nonetheless believes that beyond this basic compliance platform, is required an Integrity based platform, which adds important dimensions of proactive and reactive integrity building, which will be discussed later.

Such a basic compliance platform might include:

- A clear and publicly available statement of elements of the organisation:
  - Mission, vision, and values statement
  - Code of Conduct and Code of Ethics
  - Integrity Policy (could be Academic Integrity Policy in educational institutions)
  - Governance Framework
  - Human Resource (HR) policies
  - Management guidance policies
- Service charters
- Measures to accommodate the legal requirements in the country

It might also proactively initiate a set of practices to back up this platform, as follows:

- Zero tolerance of corrupt practices
- Induction of all staff to the Human Resources policies, the country's legal policies, and the organisation's anti-corruption policies
- Use of integrity testing as part of recruitment or in-service training

- Regular or occasional testing to monitor compliance
- Readiness to work with other organisations on
  - collective action,
  - integrity pacts, and
  - supplier "white lists"
  - rewards to whistle blowers

Such an organisation, once it is up and running, will possibly be faced with corruption challenges to which it needs to respond reactively. These might include:

- Whistle blowers. In response to whistle blowers, the setting up of:
  - a whistle blower hotline
  - a whistle blower protection scheme
- "Black lists" - the drawing up of supplier "black lists" in response to corrupt suppliers.

Senior management of all organisations are likely to have thought about these management elements; their thinking about these has often been formalised into documents available to staff (and possibly the stakeholders) of the organisation. Sometimes, however, this has not occurred. It may be that they have not produced formal documents, or it may be that they have produced formal documents, but have not made them widely available to staff or to stakeholders.

It is important that these elements exist, and for the staff and stakeholders of an organisation to know about them. Staff and stakeholders should therefore be able to ask for documents (or for the thinking of senior management), which reflect the organisation's thinking about these elements in the organisation.

It may be, however, that these management elements may be available to staff and stakeholders, but have not been explained sufficiently and therefore are not well understood by staff and stakeholders. What follows, therefore, is a list

of these elements with definitions followed by examples of how they might be used in, for instance, a government department dealing with public works, a business which is a hotel, and a CSO which is working on HIV/AIDS. These are, however, only examples - feel free to produce a table for other kinds of organisations that better illustrate the world that you know.

Mission:

A mission is a description of what an organisation does to try to reach its vision and why it currently exists. A mission statement should describe organisational purpose, using language that signified intention (to.....)

Mission	Government Department (Public Works)	Business (Hotel)	NGO (HIV/AIDS)
	To provide good quality basic infrastructure for our country	To provide good quality accommodation & services to visitors to our country	To provide good support to those living with HIV/AIDS in our country

Vision:

A vision describes what an organisation aspires to be and gives shape and direction to its future. In this way a vision statement is expressed as a desired future state.

Vision	Government Department (Public Works)	Business (Hotel)	NGO (HIV/AIDS)
	Citizens enjoy well-functioning basic infrastructure in our country	Visitors are satisfied with the level of comfort and services available to them	A high quality of life for all those living with HIV/AIDS in our country

Values statement:

These are a statement of the positive, motivating features that drive an organisation's activities and the guidance for determining its priorities of action. They should inspire and guide individual behaviour within the organisation, and underpin the intent and direction of your organisation's strategy.

Values Statement	Government Department (Public Works)	Business (Hotel)	NGO (HIV/AIDS)
	Equitable, high quality and professional services and products for all citizens throughout the country	Respect for customers and high quality professional services to international standards	Respect for clients, particularly women, professional services and a determination to defeat stigma

Code of ethics:

The ethical and moral standards that guide the organisation's decisions, procedures and systems in a way that (a) contributes to the welfare of its key stakeholders, and (b) respects the rights of all constituents affected by its operations.

Code of ethics	Government Department (Public Works)	Business (Hotel)	NGO (HIV/AIDS)
	Our workforce carry out their tasks with honour and public purpose	Services provided will adhere to advertised services and prices	The staff follow the wishes of the patient for end-of-care

Code of conduct:

The rules of behaviour that guide the decisions, procedures and systems of an organisation in a way that (a) contributes to the welfare of its key stakeholders, and (b) respects the rights of all constituents affected by its operations.

Code of conduct	Government Department (Public Works)	Business (Hotel)	NGO (HIV/AIDS)
	Our workforce carry out their tasks efficiently and quickly	All hotel guests are given good service with a smile	The staff are sympathetic and professional

Governance framework:

Governance denotes the collective means by which direction, oversight and control are exercised over an organisation's activities and conduct. A framework includes the mechanisms and processes by which decisions about the allocation, use and disposition of assets are made, executed and accounted for.

Governance framework	Government Department (Public Works)	Business (Hotel)	NGO (HIV/AIDS)
	The department is supervised by the Ministry of Works within the government of the country	The Hotel is owned by Mr. X, and staff are members of a Union	The NGO is managed by a volunteer Board who are always accessible

Human Resource (HR) policies:

These policies describe the terms and conditions, rules and regulations governing the employment of staff of an organisation, together with the opportunities for staff to appeal about the ways in which these are applied. HR policies may also include procedures for applying for promotions or asking for salary raises, or incentives to perform.

HR policies	Government Department (Public Works)	Business (Hotel)	NGO (HIV/AIDS)
	The department follows the rules of the Civil Service Commission	The hotel has its own HR policies which are agreed with the Union	The NGO has its own staff policies agreed by the Board

Management guidance policies:

Management is an organisation's way of coordinating the efforts of people to accomplish its goals and objectives using available resources efficiently and effectively. Management comprises planning, organising, staffing, leading/directing, and controlling an organisation to accomplish a goal. Management guidance policies provide instructions for the deployment and manipulation of human, financial, technological, and natural resources.

Management guidance policies	Government Department (Public Works)	Business (Hotel)	NGO (HIV/AIDS)
	The Department has a Director responsible for day to day management decisions	The hotel has a Managing Director responsible for day to day management decisions	The NGO has an Executive Director responsible for day to day management decisions

Service charters:

A service charter is a document that lays out what standards of service the organisation is willing to provide and the standards that stakeholders can expect from the organisation.

Service charter	Government Department (Public Works)	Business (Hotel)	NGO (HIV/AIDS)
	Response time for emergency water-related repairs is 2 hours.	Our service is the best that can be expected from a 3 star hotel	Treatment is given free, but contributions are happily received.

Measures to accommodate the legal requirements in the country:

Every country will have its own legal requirements for the structures, reporting requirements and compliance features for different kinds of organisations. These will probably be coordinated by a particular government Ministry. You will have to (a) find out what these are, and (b) set up systems in your own organisation which comply with these.

Measures to accommodate the legal requirements in the country	Government Department (Public Works)	Business (Hotel)	NGO (HIV/AIDS)
	Plans must be submitted to the Ministry of Planning for inclusion in the national budget, and expenditure reported to the Public Accounts committee annually	A business registration and licence to operate must be agreed with the Ministry of Commerce, and tax returns submitted annually	The NGO has to be registered with the Ministry of Interior, which also has to agree on annual plans and annual reports of activities and expenditure

Exercise

Discussion

Choose one of the three kinds of organisations displayed above which reflect your existing or potential future interest (or choose another specific organisation that you are familiar with) and answer the following questions in groups. Once each group has produced its answers, let these be discussed in plenary to ascertain if there are differing views.

1. Can you easily find, from public records of the organisation, evidence of each of these management elements?

2. If you cannot find all, which ones can you find?

3. For the ones that you cannot find, can you suggest what they should be?

4. If these statements are available, suggest why you think the organisation has made them publicly available.

5. If the statements are not available, why do you think that the organisation has not made them available?

6. Do you think it is valuable for an organisation to produce these statements? Why?

7. Do you think it is necessary for an organisation to produce these statements? Why?

Proactive compliance practices

The organisation might also proactively initiate a set of practices to back up its structure. Here are some examples using the same kinds of illustrative organisations:

Zero tolerance of corrupt practices

Apart from a general statement that corruption in any form will not be tolerated, there will need to be more detailed descriptions of what is meant by corruption, and examples given of common forms of publicly accepted types of corruption that will not be tolerated - particularly in an environment where corruption and bad governance are rife and impunity is prevalent.

Apart from documents and written guidelines, there is likely to be a need for question and answer sessions with staff to deal with a variety of test cases, and there will likely be a learning process in the organisation as the staff

and stakeholders come to appreciate that zero means zero - something that often strains the credulity of the staff who are used to working in the corrupt environment. The organisation needs to spend time educating staff that this is an ethical commitment, and that a small amount of corruption encourages an environment that endorses larger corruption.

An organisation determined to enforce zero tolerance of corruption can expect the following:

• Staff will not believe it is possible to operate without small scale ('petty') corruption

• Staff will not believe the organisation really means what it says, and will continue with petty corruption, unless this is checked

• Staff will seek to identify examples of senior management's use of petty corruption, to justify their own use of it.

Zero tolerance of corrupt practices	Government Department (Public Works)	Business (Hotel)	NGO (HIV/AIDS)
	No bribes to building inspectors to approve finished infrastructure projects No "rewards" to land registry officers to simplify the process of land acquisition	No "rewards" to suppliers for priority service. No bribes to hotel staff by guests for illegal services.	No bribes to Ministry officials for swift processing of requests for expensive drugs. No bribes to traditional leaders to allow the NGO to work in an area.

Exercise

Group task

Choose kinds of organisations that fit the learners' knowledge and experience. For each of these, divide the class into two. One side suggests a list of what are, in their opinion, necessary examples of small corruption that are needed for the organisation to operate: the other side produces arguments to counter these - either by reference to the example of one corrupt practice leads to another, or to ways to avoid such corrupt practices by other integrity based practices. After discussion seek to find out whether the participants have changed their initial positions.

Induction of all staff to the relevant policies (the organisation's Human Resources Policies, the country's legal environment policies, and the organisation's anti-corruption policies) - and be sure to review the policies periodically with all employees.

The usual role of the Human Resources Officer is recruiting, monitoring, disciplining, and dismissing staff. In an organisation which is seeking to be compliant with both national and organisational anti-corruption policies, the Human Resources Officer(s) will also be engaged with educating staff about the Human Resource (or Personnel) policies and expected practices of the organisation, and monitoring that they are indeed followed. In organisations working in a field in which Trade Unions (or Workplace Staff Associations) operate, it is likely that these bodies will also be involved in personnel issues. In organisations in which

these are inactive (or less active), the responsibility is likely to devolve to the HR officer.

Often the organisation will produce a pamphlet or guidelines for Human Resource policies which should be produced with combined participation between management and staff. Such documents will deal with a number of rights and responsibilities that are the common field of management-staff relations. In an organisation which is seeking to be compliant with anti-corruption issues, there will be more features that need to be (a) agreed and (b) officially issued as the organisation's policies. In countries in which corruption and impunity for corrupt people are rife, it is worth considering setting up induction training for new staff (and in-service training for veteran staff) to make sure that the organisation's policies are (a) known and (b) understood.

Induction to the organisation's Human Resources policies, anti-corruption policies and the countries legal requirements	Government Department (Public Works)	Business (Hotel)	NGO (HIV/AIDS)
	HR officer offers induction or in-service training to staff on, for example, government's allowances for field visits and accommodation, informal payments to porters, and requirements for bottom up planning proposals from village councils	HR officer (or other senior staff person) offers induction or in-service training on, for example, staff access to unconsumed food, finders' fees for new guests, and upgrading of government officials	HR officer (or other staff person) offers induction or in-service training on, for example, use of unexpended portions of grants received, informal payments for rickshaws.

Choose kinds of organisations that fit the learners' knowledge and experience. In each of these ask the participants to think of possible issues that are likely to be problematic and for which each staff member or the organisation as a whole is likely to face an integrity challenge. After small group discussion, display such issues on a flip chart sheet for all to see.

Choose from the participants and ask them to deliver a short 5 minute presentation on one of the selected issues to present the organisation's policy. Allow the other participants who are listening to the presentation to answer back if they don't agree or have different opinions. Cut this off after a defined period and ask people to reflect on the dynamics of building understanding of corruption issues amongst staff.

Additional possibilities for incorporating integrity into HR policies include adding incentives for employees to work with integrity. These incentives may include the following:

- recognition within the organisation of an employee's integrity behaviour,

- including integrity behaviour as a positive criterion for assessment in performance reviews, and

- taking integrity behaviour into account when considering employees applying for a promotion or for a salary raise.

Try to think of other incentives that might encourage employees to work with integrity.

Use of integrity testing in recruitment

Most HR officials responsible for recruiting involve themselves in checking on credentials of potential employees, interviews, interviewing people who have provided references for the candidate, etc. It is not common for HR officials to address themselves to anti-corruption or integrity issues, or even to communicate the organisation's perspective on these issues. However, discussing the organisation's values and policies is actually an important part of recruitment, so as to:

1. bring such issues to the candidate's attention and make them aware that attention to anti-corruption is an important aspect of the organisation's work

2. test them on anti-corruption or integrity behaviour as a factor in deciding whether or not to employ them.

If a case study or scenario which deals with corruption issues is presented to the candidate as part of the recruitment process, it also provides a basis for senior staff to discuss the candidate's attitude to corruption in an interview.

Show Gender and Gender Equality comic books, that follow, to the participants and ask them to tell the story, pointing out the problematic issues related to corruption and integrity. Ask the candidate to answer the questions at the end of the comic book.

Gender Equality and Education Comic Book

Original Story written by Dr. Harutyun Aleksanyan. Drama Script written by Lusine Karapetyan

"Gender Equality and Education" is a title of the Integrity Action Aga Khan Development Network Civil Society Programme. It includes a series of other comic strip booklets that challenge the reader on the role of ethics and integrity as contributors to success in the conduct of business.

Introduction

The New University is a newly-established University in Afghanistan which intends to extend its student numbers by obtaining new funds.

The overwhelming part of the University students is male. The new Department manager of Extended Education Programme Nafav Bashir seeks funding for new projects. He gets an announcement from a recently-arrived international NGO which intends to make investments in gender initiatives, particularly in gender educational support projects in universities.

Nafav Bashir writes a proposal in which he seeks a grant to support the preparation of female students for admission at the University. To submit the grant proposal however he needs an official approval. He goes to the Director of the University Investment Department Mahmud Ali to ask for approval. However Mahmud Ali has refused to sign to proposal. Nafav tried to ask help from higher management of the University and goes to the Vice-Rector of Education of the University Andard Hasan. Andard agrees to sign the proposal under the condition that the religious studies department will get 25% of grant money.
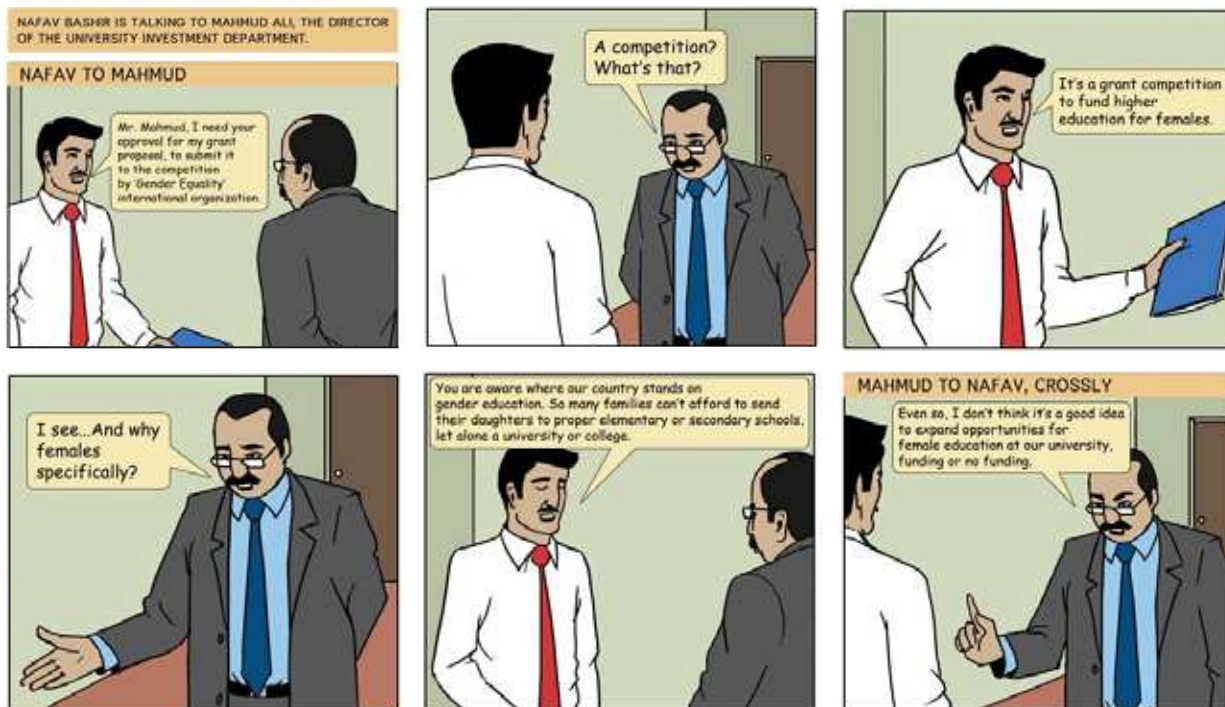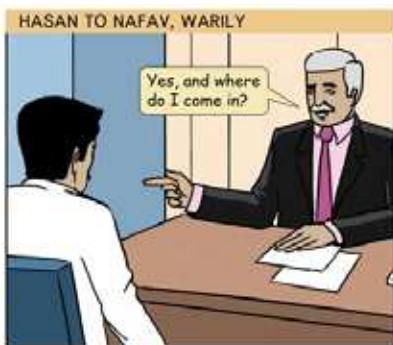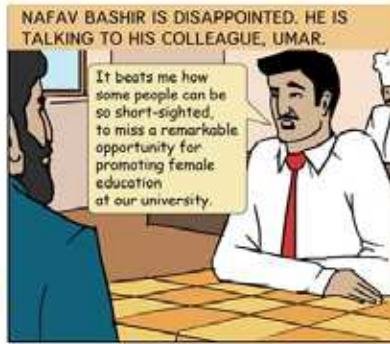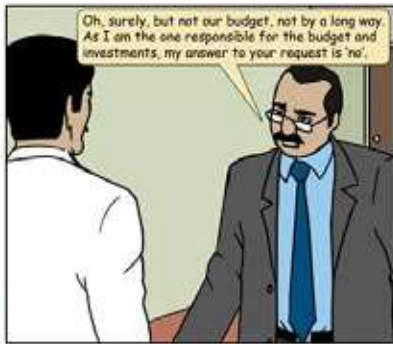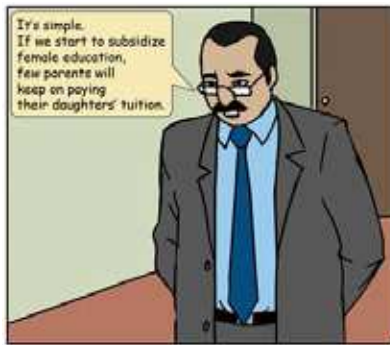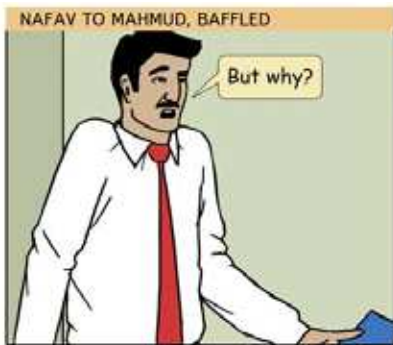
Characters

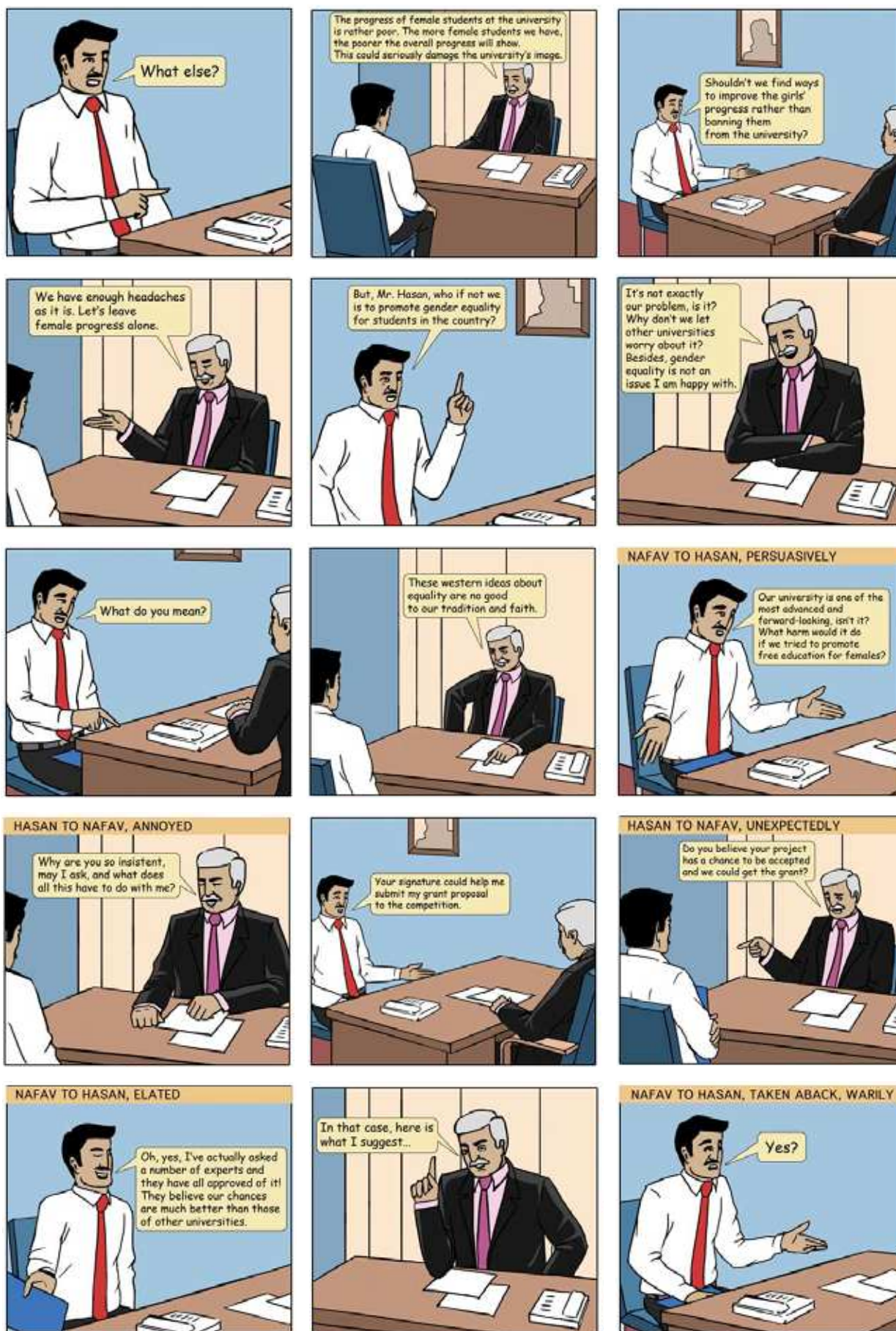**Nafav Bashir** - Head of the Extended Education Department

Mahmud Ali - Director of the University Investment Department

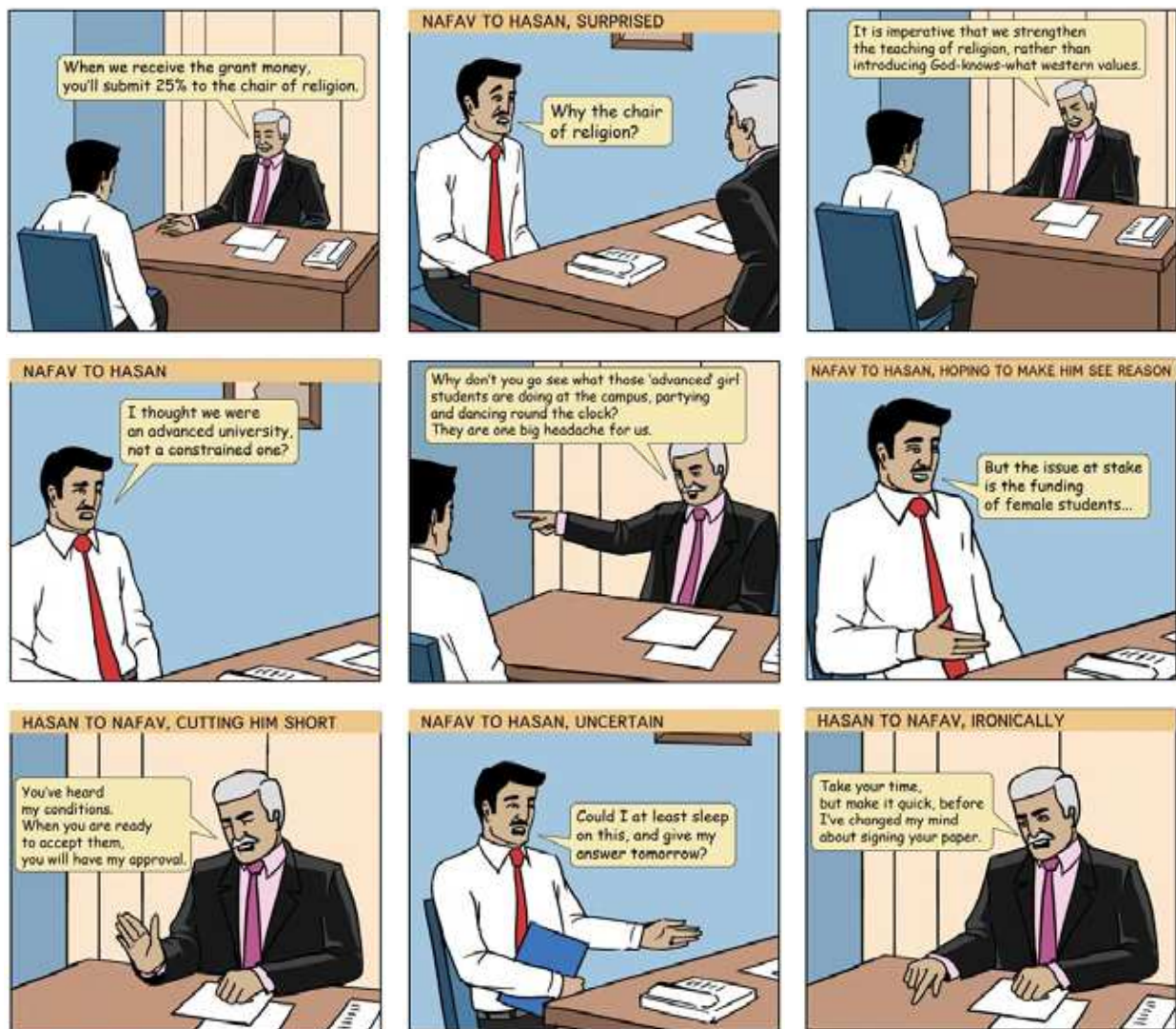**Andard Hasan** - Vice-Rector of University

Umar - Nafav Bashir's colleague

What else?

The progress of female students at the university is rather poor. The more female students we have, the poorer the overall progress will show. This could seriously damage the university's image.

Shouldn't we find ways to improve the girls' progress rather than banning them from the university?

We have enough headaches as it is. Let's leave female progress alone.

But, Mr. Hasan, who if not we is to promote gender equality for students in the country?

It's not exactly our problem, is it? Why don't we let other universities worry about it? Besides, gender equality is not an issue I am happy with.

What do you mean?

These western ideas about equality are no good to our tradition and faith.

NAFAV TO HASAN, PERSUASIVELY

Our university is one of the most advanced and forward-looking, isn't it? What harm would it do if we tried to promote free education for females?

HASAN TO NAFAV, ANNOYED

Why are you so insistent, may I ask, and what does all this have to do with me?

Your signature could help me submit my grant proposal to the competition.

HASAN TO NAFAV, UNEXPECTEDLY

Do you believe your project has a chance to be accepted and we could get the grant?

NAFAV TO HASAN, ELATED

Oh, yes, I've actually asked a number of experts and they have all approved of it! They believe our chances are much better than those of other universities.

In that case, here is what I suggest...

NAFAV TO HASAN, TAKEN ABACK, WARILY

Yes?

Exercise

Questions

1. What would you do if you were in Nafav's place?

2. Are there any other ways to have the project approved?

3. What will the consequences be, if the project is approved and the University gets the grant?

4. What ethical norms have been infringed in the above situation?

Regular or occasional testing to monitor compliance

After having established rules and regulations for compliance with government or organisational anti-corruption positions, it is important to monitor staff to ensure that these rules and regulations are obeyed. To a substantial extent this will be the responsibility of the administration and finance department of the organisation. For instance, if the agreed cost for a hotel used in a field visit is $20 per night, and a receipt for $30 is submitted, their task is to question the expenditure, and, if necessary, to bring it to senior management's attention. Another example may be a receipt for $20 but which has been handwritten or is in some other way suspicious, which leads the finance official to consider whether any money was paid at all for the service.

There is also the need to monitor the administration and finance department to make sure that they are doing their job. For instance, if a driver brings in perfectly good receipts for diesel at $0.50 per litre, and these are processed by the finance department, there should be periodic checks to validate whether the pump price is really $0.50 per litre or $0.45 per litre. It is usually too burdensome to confirm every item, so spot-checks and periodic audits are usually standard procedure in most organisations. This is the job of an internal or external auditor.

Apart from the regular fiduciary responsibility, there are other ways that an organisation can check on the staff's compliance with anti-corruption policies:

a. Listening in to staff phone calls, or examining staff emails for evidence of malpractice

b. Setting up 'tests' to ascertain staff response. This may include leaving money on the employee's desk to see what action staff take, providing an 'agent provocateur' to suggest an illegal way of working to see the response of the staff, and similar actions.

It is possible that such ideas will help an organisation monitor its staff's compliance with anti-corruption practices, but it is also possible that such ideas will be badly received by the staff who will feel that they are not trusted, and are being "entrapped", and this may lead to poor staff relations.

This is actually one of the reasons why compliance based organisations are limited in what they can accomplish related to reducing corruption. In an atmosphere of 'naming and shaming' employees who violate a rule or procedure, there is usually little attempt at giving the employee the opportunity to correct what was done improperly, with or without a sanction (this usually depends upon the severity of the infraction). Giving employees an opportunity to act with integrity after an initial infraction is often an incentive for the employees to change their behaviours.

Collaboration with other organisations

Over time as your organisation continues its work, you may well find some occasions where the practice of corruption

is growing, and your organisation is not able to have an impact on it, if operating on its own. Your organisation may therefore see a possible advantage in collaborating with other organisations, normally looked upon as rivals, in jointly trying to reduce corruption and its effect on all of you.

Collective action

For example, your organisation's ability to function successfully may be constrained by a monopoly that is being granted de facto or de jure to one of your rivals, probably because that organisation is, in turn, bribing government regulators. Your organisation may consider it worthwhile to seek to come to some agreement with its rivals to level the playing field, and allow all organisations to compete equally. Another example might be that a particular key individual in the Customs department is becoming greedy, and making outrageous demands, or blocking needed services. Representation to his superiors by a group of organisations may have more impact than representation by an individual organisation.

Integrity pacts

"Integrity pacts" are a process developed by Transparency International[58] most often used to establish a common set of rules and procedures for tendering a contract. If a company or donor putting out a request for bids is aware that it is working in a corrupt environment, it may suggest to the potential bidders that they all agree to follow certain anti-corruption practices throughout this contract bid. Sometimes the contract will only be offered for bid if some local ground rules about avoiding corruption practices such as collusion and bribery are agreed. Elements of the pact include disclosure of any payments made related to the tender, sanctions for violation of any of the agreed upon terms (e.g., this includes losing the tender, being banned from future tenders, and others), an external monitoring process by citizens or experts with increased responsibility for oversight by government, more open information than in other types of tenders, and responding to complaints of one bidder against another, as well as anything else that is determined relevant and effective in reducing opportunities for violations. There are about 15 countries using Integrity Pacts, and results have been mixed - some have worked well, while others have had many problems. It is, however, a positive attempt at reducing corruption and opening up the tender process to external oversight and greater transparency and accountability.

Supplier "white lists"

In a situation where suppliers are notoriously corrupt, it may be to the advantage of a number of organisations which are otherwise rivals to collaborate on informing each other about suppliers that can be trusted to be honest and trustworthy. This is in opposition to "black lists" which are described later, but basically reject the consideration of organisations that are known to be corrupt and untrustworthy.

[58]archive.transparency.org/global_priorities/public_contracting/integrity_pacts

Reactive compliance practices

From time to time events may occur in the field of corruption which require the organisation to react. The following give some examples of this, and what your organisation might do to accommodate such events.

Whistle blowing

"Whistle blowing" refers mainly to a person who has some problem with your organisation, who has not been able to get that problem addressed from existing structures and systems within the organisation, and who therefore decides to go public with the problem - usually through the media. It is very likely that the publicity that they will provide will be detrimental to the organisation, by virtue of exposing the problem.

Sometimes a "whistle blower" will go public not because they have tried existing internal structures and systems and found them fruitless, but because they are scared that this will be the case, and that the airing of the problem, even internally, will cause many difficulties for them. These could result in punishment for them, especially dismissal - particularly if their exposure of something will be harmful to another member of staff. Whistle blowers may have a very legitimate problem, or it may be that their problem is the result of inter-personal conflicts in their work place.

At the same time a "whistle blower" may be a most useful person for your organisation, in that they have identified an important issue in the organisation which needs to be corrected and righted. If this is the case you want to make sure that a "whistle blower" has a channel to air their problem or grievance inside the organisation before going public and perhaps causing public relations headaches for the organisation.

Whistle blower hotlines

It makes sense, therefore, for you to set up "whistle blower hotlines" which are channels for employees to note a problem or issue without these being likely to rebound on the person and cause retribution or punishment. Such "whistle blower hotlines" will normally be letter boxes in which people can leave anonymous notes in the knowledge that someone important in the organisation will periodically read the notes, or a telephone number on which people can leave anonymous messages. It is important that the hotline has credibility i.e. that employees believe that the messages deposited there will indeed be read.

It is also possible to set up a "complaints hotline" or a "whistle blower hotline" for the public to encourage different kinds of stakeholders to have a channel to report any problem that they have with the organisation. Setting up such a "hotline" is also good publicity in that the organisation shows itself ready and willing to hear from its stakeholders.

Such hotlines should be differentiated from "suggestion boxes" for either internal or external stakeholders. Such "suggestion boxes" are to help the organisation be more efficient or productive, and would not normally receive anonymous messages.

Whistle blower protection

Being a whistle blower is very problematic. Usually the issue that is aired will be something initially damaging to the organisation, in that it will be revealing an important problem. If the whistle blower goes to the media, then the media may report the source of the information, the person will be identified, and is likely to be disliked by others in the organisation, and often are fired because of the damage that they have done to the organisation. Some whistle blowers are threatened with physical harm, requiring them to go into hiding or relocate. Potential whistle blowers know this, and realise that their existing position in the organisation is vulnerable.

By the same logic it is likely only to be people who have an important problem to raise and who strongly believe in their case, who will be courageous enough to become a whistle blower. Such people are valuable to your organisation for two reasons:

- They have identified an important issue

- They have shown that existing staff reporting and compliance systems are insufficient for such an important issue to be aired within the organisation.

Some organisations realise that whistle blowers should be encouraged and protected, rather than punished and dismissed. In such cases, one suggestion is that the whole subject of whistle blowing is discussed openly as part of the staff and human resources policies, and people are told that they will be well treated and protected - perhaps by being relocated to another part of the organisation. It is rare that a whistle blower will be able to fit back into their existing job, since their act of whistle blowing will probably have exposed poor conduct on the part of their co-workers or line managers. On the other hand, sometimes whistle blowers are rewarded quite significantly by an external organisation interested in correcting the problem (e.g., donor, government, etc), because few organisations want to hire someone who was a whistle blower, since some day they may blow the whistle on their new employer

Exercise
Read the story and then follow the instructions:

It is common for the police in many countries to demand payments to ignore or dismiss small illegalities (it is also common in some countries for the police to invent illegalities so that they can demand payments to ignore them). In some cases the individual policeman/woman will pocket the payment; in some cases the policeman/woman will be required to share the payment with their supervisors. A new recruit joins the police force and sees that this is happening, but does not want to be part of it, and, moreover, wants to stop it. He/she is apprehensive about internal reporting procedures, and decides to go public and "whistle blow".

Instructions: Separate the trainees into small groups and ask them to discuss examples of requests for illegal payments by the police, and whether they think the money has been kept by the individual policeman/woman or shared up the hierarchy.

Once they have agreed on a case which all can accept, ask them to consider the options for an honest policeman. What avenues are open to him/her? Ask them to present these options to the other groups.

Then ask them, back in their groups, to consider the options for the police force as a whole - what would the Police Commissioner do in the cases of the different options? Ask them to present these ideas to the other groups.

Supplier "blacklists"

In some cases corrupt behaviour by others may be harmful to more than just your organisation - it may be harmful to your competitors as well. An example may be where an organisation is in the construction business, and a particular supplier is delivering sub-standard cement, by paying off the production inspector to ignore the stricter specifications. The houses built, as well as the houses built by competitors will be weaker, and your customers potentially harmed. It therefore makes sense for all those who purchase cement to get together, agree the cause of the problem, agree never to buy again from such a supplier, agree to tell this to the supplier and suggest they improve their practices. They thus "blacklist" the supplier - i.e. agree to share a commitment not to purchase until considerable improvements are made.

Exercise
Read the story and then follow the instructions:

A garment factory produces satisfactory clothes at a satisfactory price, but pays its workers below market wages and in unsafe working conditions. A fire breaks out in the factory and workers are hurt and killed. All the buyers of that factory's products agree that they will not buy further from that supplier (i.e. black list the factory) unless they improve the situation.

Instructions: Role play a meeting between buyers and producers of garments the day after the disaster has occurred. What will be the arguments of the producers and of the buyers? What are the weak points in each other's cases that the other will try to use?

Chapter 3

The integrity based organisation

Up to now we have been talking of an organisation which has either proactively or re-actively been dealing with compliance issues concerning anti-corruption. Now we are moving into organisations that want to proactively and re-actively emphasise and build integrity.

The integrity based organisation

As mentioned earlier, the compliance based platform is important in all organisations, however it does not fulfil all needs in reducing corruption systemically. An organisation interested in building integrity will be going beyond demonstrating compliance with anti-corruption measures or reacting to corruption practices. It will be seeking to develop an integrity culture within the organisation by initiating practices which encourage the implementation of the integrity components, advise on and answer integrity challenges, and seek integrity solutions, even in an environment of corruption.

An analogy of this distinction is from the field of Public Health[59]. Through the 1970s, people went to doctors when they were sick, so that the doctor could make them well. Sometimes children learned about health in health education classes. However, in the early 1980s, there was a paradigm shift to 'health promotion' - clearly stating that health is not just the absence of disease, but rather a process that people can be involved in, and have some control over to improve their health. This can be done by changing behaviour, such as: avoid obesity, reduce excessive intakes of salt, reduce the fat in your diet, stop smoking, exercise more, and others. This shift is similar to the shift from just reacting to corruption problems, to developing a culture of integrity, which entails positive and proactive steps towards strengthening integrity through integrity tools and learning processes.

Proactively, these might be:

- initiating programmes of Community Integrity Building,[60]
- coordinating with other stakeholders on integrity initiatives in which they have oversight,
- using the practices of integrity as a competitive differentiator, and
- initiating integrity as a new and holistic step change in the work environment.

Reactively, an organisation may also react to the prevailing work environment by setting up within the organisation:

- an Integrity Officer,
- an Integrity Office or for larger organisations, an Integrity Advice Centre, and
- making sure that a Code of Ethics is designed, agreed, promulgated and observed.

Depending on the organisation, the work environment, the legal environment, government inspection procedures, other organisations in the same "marketplace",

competitors, and the ethical and civic context, some of these practices will be needed to different degrees, and require different levels of resources or supervision.

Proactive integrity practices

Working with the community

Up to now we have been thinking of three types of organisation (government agencies, businesses and NGOs) and discussing anti-corruption from their perspective. Once we look at building integrity with communities we have a slightly different perspective:

a. Government agencies

- These may receive suggestions for their work from communities if there is a participatory planning process in place at the local government level.
- Their employees may directly deliver services to communities (sometimes based on these suggestions, sometimes based on top down instructions from central government), but often delivered through local contractors.
- They may deal with local government structures which claim to be the delegated voice of the community.
- They may deal with NGOs and CSOs who claim to be the voice and conscience of the community.
- They may deal with maintenance issues that involve the community.

b. Businesses

- These may offer commercial products and services to communities and customers or clients.
- They may offer products and services to communities through the implementation of projects and contracts for local government, or in collaboration with government departments.
- They may have local production facilities which interact with the communities by buying their products, employing local people, using local resources, and executing industrial processes which may have environmental implications.

c. NGOs/CSOs

- These may offer to organise local people around important local issues.
- They may offer to act as intermediaries or representatives between local communities and government (local or national) or local communities and businesses.
- They may also be involved in local production and distribution.
- They may provide direct services to communities on contract with government agencies.

[59] www.who.int/healthpromotion/Milestones_Health_Promotion_05022010.pdf
[60] www.integrityaction.org/community-integrity-building-cib-guide '*A practical guide to Community Integrity Building guide*', Integrity Action. London 2014

All such organisations will have the opportunity to undertake the minimum, legally required anti-corruption measures, but will also have the opportunity to go beyond this and set up structures and systems that face integrity challenges and encourage integrity opportunities. These will usually involve helping communities to deal with corruption problems by building integrity institutions. Because this is a very important addition to integrity building, it is described in more detail in the following section.

The concept of Community Integrity Building[61]

Citizens often find that they are not receiving the goods and services from government agencies or from businesses that they believe are their right. This may be due to corruption, fraud or mismanagement - what we call an 'integrity challenge'. They often want to do something about this.

Integrity Action has developed a process to try and resolve these issues and call it Community Integrity Building (CIB). Through CIB local citizens, usually trained by an NGO or CSO, follow a five-step cycle to monitor public projects and service delivery, with the ultimate goal of implemented activities being corruption free after any problems identified are solved jointly with government and implementers.

Government agencies and businesses may themselves be the origin of the integrity challenges that have affected local communities, and thus the process of building procedures for community integrity to deal with these integrity challenges is likely to be complex, require compromises, clear negotiations, openness and transparency with government and business representatives. The evidence-based path through which Community Integrity Building operates, offers and even promotes the possibility of government and business to collaborate with NGOs/CSOs to overcome these challenges and work with local communities by improving service provision.

Context Analysis - Understanding the context and the stakeholders:

The main purpose of stakeholder analysis is to understand and address local communities' needs, concerns and capacities. Communities are diverse so it is important to have representatives from a wide range of stakeholder groups - all interested parties - including vulnerable or minority groups, such as women, persons with disabilities, ethnic minorities and youth.

Gathering data to understand the context and all stakeholders	Government Department (Public Works) Examples	Business (Contractor) Examples	NGO/CSO (Community organiser) Examples
	Making sure that it is aware of what government is doing, what the local rules and regulations are, what influences are being exerted on whom within the government department, and power relationships.	Making sure that it is clear how the business has been presented to the community, and what the community understands is likely to be the plans of the business, and what aspects of this will affect the local community.	Learn as much as possible about the intended project, the laws and budget under which it is operating, the legal agreements and policies. Help to convene interested members of the community and introduce them to the other organisations.

Through **stakeholder analysis**[62] it is possible to identify the roles of the various other stakeholders in relation to the project, and in relation to those who can affect change in the project - such as local authorities or donors that fund the project. Note that in post-war locations, it may be necessary to undertake **conflict analysis**[63] to better understand the factors, actors and scenarios that contribute to the conflict, and where citizens through CIB could possibly play a peace-promoting role.

Then comes engagement of the wider community to ensure local ownership of the activities. Here it is especially important to be as inclusive as possible, to ensure that vulnerable groups are represented and contributions come from diverse groups in the community.

Finally, it is important to document whatever programmes, projects, monitoring processes or joint forums exist as baseline data reference points for against which to measure progress and impact.

---

[61]www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide'*, Integrity Action. London 2014

[62]www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide'*, Integrity Action. London 2014 Stakeholder Analysis on pages 20-21

[63]www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide'*, Integrity Action. London 2014; Conflict Analysis on pages 18-19

Joint learning - Forming a Joint Working Group (JWG);

In the second phase of the CIB cycle, the NGO/CSO puts together a joint working group of stakeholders, consisting of community members, businesses and local/national government representatives who have a stake in resolving any identified problems. After training, members identify priority projects, especially those that may have a wider policy impact. Care has to be taken that the number of projects selected for monitoring is manageable, and that no project is too far along (i.e. <40% completed), so that if there are sub-standard materials or other infrastructure issues they are caught early when it is possible to fix the problems at a reasonable cost.

Forming a Joint Working Group (JWG)	Government Department (Public Works) Examples	Business (Contractor) Examples	NGO/CSO (Community organiser) Examples
	Making sure that it is aware of what government is doing, what the local rules and regulations are, what influences are being exerted on whom within the government department, and power relationships.	Making sure that it is clear how the business has been presented to the community, and what the community understands is likely to be the plans of the business, and what aspects of this will affect the local community.	Learn as much as possible about the intended project, the laws and budget under which it is operating, the legal agreements and policies. Help to convene interested members of the community and introduce them to the other organisations.

Evidence Base - Backing up statements with evidence

CIB's third phase includes data collection, analysis and verification.[64] The data gathered specifically include Access to Information (project documents), Community Engagement (involvement in design and/ or implementation), and Project Effectiveness (project is effective, complies with requirements set out in the project documents, and satisfy the community stakeholders). Part of the data gathering includes survey research regarding people's opinions, taking of photos or videos of project sites to document the current service problems and progress towards completion. This evidence is uploaded into Integrity Action's open database called DevelopmentCheck[65], with project information from around the globe constantly being added, and verified separately. Ultimately, the evidence is brought back to the JWG so they can move into the next phase, which is about community engagement.

Research and Evidence base	Government Department (Public Works) Examples	Business (Contractor) Examples	NGO/CSO (Community organiser) Examples
	Assist monitors in gaining access to project documents. Be prepared to inform the community about the department's experience in similar cases elsewhere, and how they have been resolved.	Cooperate in making the project documents available. Be prepared to inform the community about the business' experience in similar cases elsewhere, and how they have been resolved.	Assist the monitors with any problems, verify data, ensure experts are hired to assist with professional issues (engineers, lawyers, service experts, etc).

[64]www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide'*, Integrity Action. London 2014; Questionnaires on pages 24-29

[65]www.developmentcheck.org ; and the DevelopmentCheck questionnaire on pages 30-36

Constructive engagement

Community monitors share the data they collected with key stakeholders to address issues identified and to share good practices that they have observed. If problems have been identified, monitors and JWG members propose solutions or 'fixes' to resolve them. A **Fix** is the resolution of a problem to the satisfaction of stakeholders, while the **Fix-Rate** is the percentage of fixes out of the total number of problems identified, to the satisfaction of stakeholders.

Constructive engagement	Government Department (Public Works) Examples	Business (Contractor) Examples	NGO/CSO (Community organiser) Examples
	Bring people with decision making authority to the JWG, and to negotiate agreed solutions with the project implementer.	Bring people with decision making authority to the JWG, to negotiate agreed solutions for implementation.	Make sure that the decision making authorities have the required power, and that their decisions are implemented to achieve a complete fix.

Closing the feedback loop[66]

Once solutions have been implemented and fixes achieved, it is critical to share the status of the projects with the JWGs, the community - through public radio and other available means - and key decision-makers. If problems remain then the JWG may decide to implement a different solution, or to carry out an advocacy campaign[67] to raise additional funds needed, or to correct a serious problem that is negatively affecting the community.

Sometimes confrontation may be needed as part of an advocacy campaign, to add some pressure to decision-makers, however if high profile campaigns of 'naming and shaming' are used, they could be dangerous for local communities involved, or even alienate them. Evidence-based advocacy offers a rational, rigorous and systematic case for key decision-makers to improvement development programmes, projects and services, and certainly to reform inappropriate policies.

Closing the Loop	Government Department (Public Works) Examples	Business (Contractor) Examples	NGO/CSO (Community organiser) Examples
	Be prepared to share agreed solutions with all necessary authorities in the department.	Be prepared to pass agreed solutions to all necessary authorities in the business, and commit to further fixes if required.	Coordinate the dissemination of the decisions from the communities' perspective and make sure that the solutions are widely disseminated (including media).

Exercise
Scenario examples

Agree with the learners some sample organisations for Community Integrity Building - one from government, one from business and one from the NGO/CSO world. Depending on the choice, devise with the learners a number of problems that need to be solved by the structures of Community Integrity Building. Have the learners prepare scripts for negotiating with the government and project-implementing business to fix the identified problems, and then ask the participants to role play these. Practicing difficult conversations helps build confidence for when the face-to-face conversation occurs.

Possible Examples, or make up your own scenarios:
Government

- Contractors not doing their agreed task to time, or to the required standard
- Government taking over the lead on a project without giving compensation to the contractor
- A government project without any local engagement

Business

- An industrial or mining facility producing damaging effluent
- An entertainment complex encouraging drunkenness, prostitution, drug taking
- A production facility that has dangerous working conditions

[66]www.integrityaction.org/statistics-measuring-fix Fredrik Galtung. *'The Fix-Rate : A key metric for transparency and accountability. Working Paper No. 2'*, Integrity Action. London 2013. See also another module in this series called "Community Integrity Building and Social Accountability "

[67]www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide'*, Integrity Action. London 2014; pages 37-38

Multi-stakeholder Initiatives with oversight

In order to be aware of and keep oversight of the likely difficulties that may arise with an initiative or a project that is going to affect a community, it is sensible to put together a Joint Working Group (JWG) that comprises all the likely stakeholders that will be affected. Depending on the initiative, this may involve the local or national government, or not. A JWG includes multiple stakeholders, who agree to work together to maintain the integrity of the project or initiative, collaborate on decision making throughout the project, and to jointly solve problems as they come up.

Once the execution of a particular initiative or project has started, then the JWG can also be the locus of complaints or concerns and the means by which the community can be involved in addressing these issues.

An important aspect of such work will be agreement in advance about the function and authority of the JWG; it can be purely an advisory group which the government agency or business should listen to, but is not bound by - all the way through to a real oversight agency which will have the power to instruct the government agency or business as to what they should do in the project in question. Government bodies or businesses which are proactively interested in building integrity into their work should become involved in setting up JWGs, and providing them with the structures, systems, policies and practices that are needed to make sure that the initiatives or projects are carried out without harm to the communities concerned, and with their involvement.

Building Integrity and trust as a way to be more competitive

If your organisation is increasingly known as an organisation of integrity (i.e. as one which pays attention to Accountability, Competence, Ethical behaviour, and control of corruption - as well as aligning these with each other) then it is likely to be trusted, and according to its actual behaviour, it will also likely be trustworthy and thus encourage interaction with customers and clients. It therefore makes sense for your organisation to demonstrate integrity behaviour because it is a "good thing" to do, as well as to use it as a vehicle to promote your organisation more widely.

Stakeholder trust and trustworthiness are clearly "good things" in their own right. Yet they also have important effects on the way your organisation works, competes, adapts and develops over time. If your organisation offers demonstrable evidence of its trustworthiness to stakeholders and they validate this trustworthiness with their trust, your organisation can reap the benefits of its integrity. These benefits can be tangible outcomes, such as more business opportunities because customers and clients desire institutional integrity, a reputation of integrity that also draws new customers and clients, and precedence over other organisations that are not known for their integrity.

Another way of looking at this is to say that **good performance strengthens trust** (which is premised on individual stakeholders' direct experiences of your organisation), **trust is the basis for a good reputation**

(which can also be premised indirectly upon the shared experiences of others) and a **good reputation increases the likelihood and effectiveness of organisational success**.

You should not make decisions and take actions simply in order to be trusted: if you do this, there is a good chance that there is no substantive basis for the trust you are seeking, and after a while, you will not be considered as truly trustworthy. Institutional integrity is not about ticking off a number of worthy activities. Doing things to look good in the eyes of your internal and external stakeholders is a

form of "window dressing" (i.e. pretending to be better than you really are).

The need to inspire trust can, however, facilitate and enable your decisions on whether to do certain things or not and how to carry them out. Stakeholder trust - as an outcome - should certainly influence how much management time and effort you use to implement your strategy.

The following are indicative of the significant internal and external organisational benefits of trust:

Increased teamwork	The more trust people have in each other, the more likely they are to rely on each other, because they can depend on each other's ability to perform well.
	This can produce benefits such as greater efficiency, speedier resolution of problems and lower administrative overhead burden.
Good communication	The more trust stakeholders have in your organisation, the more belief they will have in the accuracy and completeness of the information you share with them and the more confidence they will show in sharing information with you and in your ability to treat it with appropriate discretion.
	This can produce benefits such as more open, frank and effective exchanges on even the most sensitive matters.
Enhanced organisational citizenship	The more trust your local community and society at large have in your organisation, the more harmonious your relations with them and the greater your influence in community development activities.
	This can produce benefits such as minimal disruptions arising within the local community, greater impact on community development and the effective discharge of your economic, social and environmental responsibilities.
Contract negotiation	The more trust your existing or potential contracting partners (e.g. customers, suppliers and/or joint venture partners) have in your organisation, the more direct, targeted and less protracted the contract negotiations will be.
	This can produce benefits such as speedier consensus and agreement, greater focus on mutually beneficial outcomes, and less onerous due diligence and ongoing compliance review requirements.
Conflict avoidance and resolution	The more trust your stakeholders have in your organisation, the more credibility they will show in your ability to handle conflicts of interest responsibly and sensitively. Their understanding of the course of action you determine will consequently be greater, even if it is not their preferred outcome.
	This can produce benefits such as increased collaboration, reduced organisational stress and a low level of escalation of conflicts.
Reduced compliance costs	The more trust stakeholders have in your organisation, the less strenuous will be the demands they will place on you to demonstrate that you manage risk effectively (e.g. legal risk, environmental risk, corruption risk) and the less onerous will be the burden of proof and corresponding compliance regime that you will need to have in place.
	This can produce benefits such as a reduced focus on managing and monitoring related risks, including compliance reviews and audits.

Employee relations	The more trust staff have in your organisation, the more open their relations with it, the stronger their morale and the more enduring their personal investment in it.
	This can produce benefits such as higher staff satisfaction, better productivity and reduced staff turnover.
Innovation	The more trust stakeholders have in your organisation, the less suspicion and reluctance they will show when you try out new things that you hope will be beneficial and the greater their tolerance for risks associated with innovation.
	This can produce benefits such as greater freedom to explore and experiment with new and improved product and services ideas, or alternatively, more efficient and cost-effective management and operating practices.
Internal governance	The more trust stakeholders have in your organisation, the more streamlined your internal decision-making processes can be.
	This can produce benefits such as greater responsiveness and freedom to act swiftly and decisively to exploit opportunities as they arise.

All these examples indicate the benefits of trust in terms of optimal allocation of management time, resources and funds (i.e. a reduction in transaction costs). These resources can then be allocated to activities focused on value-building rather than value protection (or worse, damage limitation). They also indicate the benefits of trust in terms of enhanced reputation and greater goodwill.

The more trust stakeholders have in your organisation, the more positive their overall estimation of its character and quality will be. They are also more likely to show goodwill towards your organisation. This can produce benefits such as **more business from customers, improved terms with suppliers** and your ability to rely on the **support of key stakeholders in difficult times.**

Exercise
Group task

After you have identified with the learners what is the kind of organisation that best reflects their interests and context, divide up the class into groups, and ask them to identify a real life example of each of the organisational benefits of trust. Let each group report back what they have identified to the full plenary and ask the plenary to critique the realism, likelihood and constraints to each of these organisational benefits to trust, in the world that they know.

Additional reactive integrity practices

Depending on the size of your organisation, and the number of integrity challenges it is regularly facing, it may make sense for your organisation to set up three more structures to help your organisation build integrity into its functioning.

Integrity Officer

The first is to appoint a staff person to be your Integrity Officer in the organisation. This would be someone within the organisation that will understand integrity issues, and can be someone for the staff of the organisation to come to if they have any problems with integrity on which they would like further advice. This Integrity Officer has to have the confidence of senior management, and a direct line of communication to the executive management of the organisation so that he/she can follow up on any queries or requests for action. It is important to note that the conversations should be confidential, an integrity approach should be used (i.e., to help the employee solve the problem in a constructive way, without 'naming and shaming'), and only if there is a very serious issue that has implications for the organisation, should it be reported in consultation with the employee.

Integrity Advice Centre

Linked to this is the possibility of setting up an Integrity Advice Centre at the organisation where staff (or other stakeholders) can come to learn more about opportunities for building integrity practices into the organisation. This centre can also coordinate the development of a Code of Ethics - with engagement of employees at all levels - the final version of which will then be disseminated throughout the organisation and its stakeholders.

Code of Ethics

A Code of Ethics should be a central guide and reference for staff to support day to day decision making. It is meant to clarify your organisation's vision, mission, values and principles, linking them to standards of professional conduct. A Code of Ethics is thus an open disclosure of the way your organisation operates from an ethical and moral perspective. It should provide clear guidance on norms of expected ethical behaviour. It will only be effective if proper induction training on its content, monitoring and enforcement are ongoing, to support building a culture of integrity within the institution.

Chapter 4

Returns on investment - Compliance and Integrity approaches

The different options we have discussed under proactive compliance, reactive compliance, proactive integrity, and reactive integrity can be seen in the following four part matrix: Each quadrant has different actions/activities for investment and return. The quadrant that has the highest return (the top right hand side) in terms of building integrity also has the highest risk in terms of investment needed.

It is important to note that not all of these measures are equally important or effective. For example, we suggest that some practices entail a **low investment, but also provide a low return**. They may be rare - such as whistle blowing, which is a reactive compliance approach - or relatively easy to implement - such as having an Integrity Officer/Advisor but because the initial investment isn't great, it is still worth having for the cases that come up. Other measures are very likely to be needed, and will require considerable investment in setting them up and monitoring them. These we can suggest to be

high investment, but high return. It may be complex or require significant financial support to implement these measures - such as Community Integrity Building processes or multi-stakeholder initiatives - but the return is high enough to make the investment very worthwhile. Note that a CIB project is extremely cost-effective, costing on average less than 1 percent of the value of the large infrastructure projects being monitored and improved, especially when it starts being scaled up, as in Afghanistan, Palestine and Timor Leste.[68] There are also additional proactive compliance measures, some have been in use for decades while others have been developed in recent years and are still being 'tested' to see if they will withstand the test of time. Nonetheless, these measures often require some investment for training, and sometimes also financial support. Their effectiveness varies, but we are seeing 'mid-range' **productive returns** from them. We will discuss these below in further sections of this module.

Figure 19: Compliance and integrity
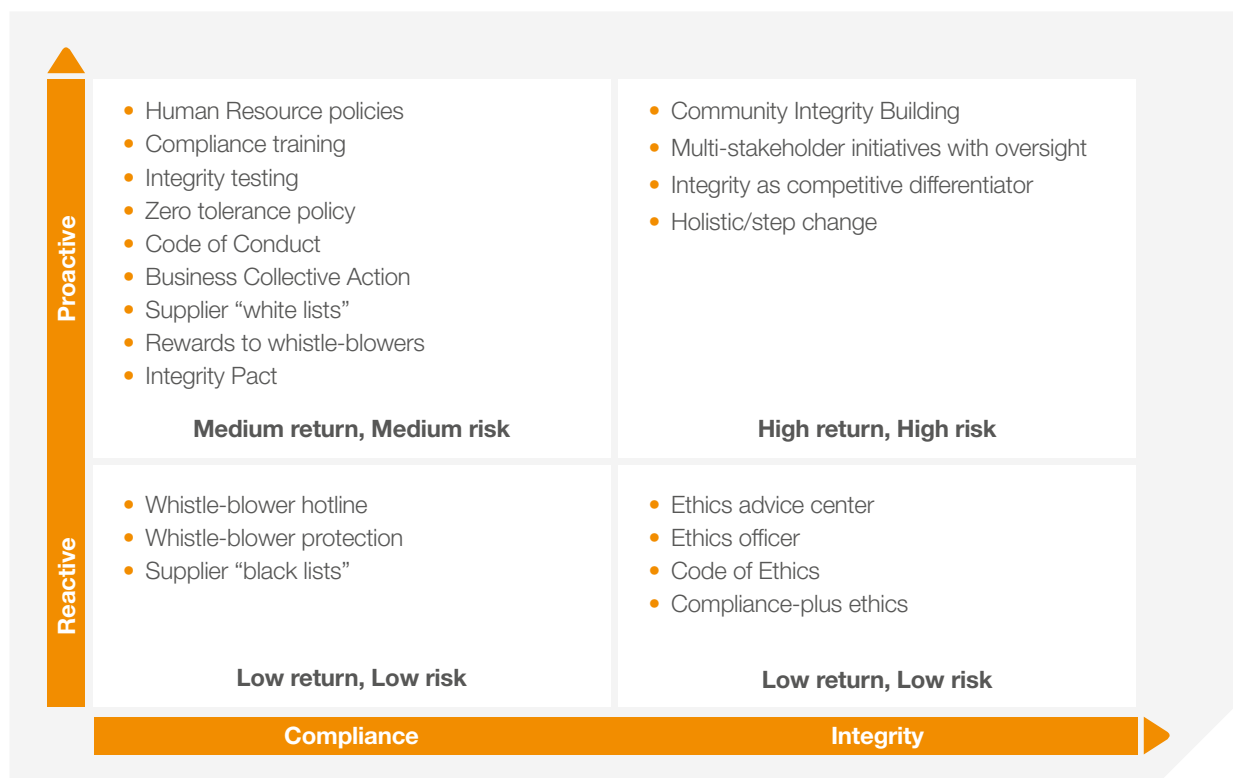
The vast majority of enterprises currently invest in a mix of reactive compliance and what we can refer to as reactive integrity practices. Some businesses also invest in proactive compliance, but proactive integrity remains a poorly articulated aspiration for most companies and organisations.

Ultimately the largest return would come from a comprehensive "integrity and compliance" framework within a government agency, business, or NGO/CSO that implements action plans in all four categories.

[68] www.integrityaction.org/statistics-measuring-fix Fredrik Galtung. *'The Fix-Rate : A key metric for transparency and accountability. Working Paper No. 2'*, Integrity Action. London 2013, page 8

Exercise

Group task

Consider and choose the kind of organisation that is relevant to the learners.

Divide the class into small groups and ask them to consider the 4 quadrants in Figure 19. Ask the groups to discuss whether they consider that the suggestions for returns and risk are realistic for the kind of organisation that they have chosen.

Ask the group to choose which activity, in their opinion, is likely to give highest returns, and why.

Ask the group to choose which activity, in their opinion is likely to carry highest risks, and why.

Let each group present their findings to all the participants and be prepared to defend their findings against the comments and critiques of the participants.

Conclusion

Differentiating between the compliance approach and the integrity approach

There has been a lot of discussion in this module's chapters and in the other modules in this textbook about the various methods that can be applied to curb corruption. In all of the integrity-related methods, building trust has been shown to be a very effective element in successfully fostering cooperation (within an organisation and with external stakeholders as well), and realising other benefits described throughout this module. The ultimate goal of integrity is to strengthen stakeholder trust and trustworthiness, both for organisations as well as for one's personal integrity. This, in itself, is a strong differentiator between a compliance approach and an integrity approach.

In the Compliance and Integrity matrix, we have differentiated between proactive and reactive methods, and between compliance and integrity methods. Here we summarise the main elements of each approach, to assist in understanding the differences between an approach that is mainly Compliance based and one that is mainly Integrity based.

Figure 20 is a comparison chart that differentiates between the two approaches.

Figure 20: Differences between compliance and integrity approaches

Compliance approach	Integrity approach
Rules-based	Values-based
The application and enforcement of rules and procedures	The acknowledgement of discrepancies between policies, rules and laws, and actual implementation
Adversarial: naming, shaming, litigation	Collaboration: conflict resolution, alternative dispute resolution
Problem-focused	Solution-focused
Less discretion	More discretion
Both are top-down and bottom-up	

Compliance approach

Rules based

Compliance is, by definition, based on following 'rules'. These include national or international legislation, regulations, policies, procedures, and other directives. Rules are an important part of an organisation's framework, because we all need guidance, order and clarity to understand what behaviour is expected of us. Staff are 'measured' by how well they follow the rules, and if they don't, they are sanctioned in some way. This means that staff aren't necessarily committed to resisting corruption, they may adhere to the rules only for fear of sanctions. Some people need that threat of punishment in order to behave properly, but not much is done to encourage staff to consider what the proper behaviour is. This approach does not encourage a culture of behaving well, but rather a technocratic following of rules and regulations. In these types of organisations, little is discussed as to why it's important to behave well: for national development, for a stronger democratic culture, for social justice and greater equality, for sustainability, and other social goals.

The application and enforcement of rules and procedures

The assumption is that the rules and procedures are implemented in full, and that staff follow them. The problem with this, is that rules and procedures are not fully implemented in most cases, and there tends not to be monitoring but rather a sense of 'we have these rules and it seems like all is going smoothly'. When the rules are not implemented and enforced properly, the misconduct is not prevented, but rather tends to grow unchecked.

Adversarial: naming, shaming, litigation

When corruption, maladministration or other misconduct is identified, the common steps are to expose the infractions and perpetrators within the organisation and/or publicly, and to prosecute through the judicial system. When this occurs, everyone 'loses'. If a public project is being implemented, and corruption is identified, then the exposure results in the implementer most often being held within the legal system and the project stops. This means the government must find other funds to continue the project, and if these aren't available, the community does not reap the benefits of the promised project.

Problem-focused

Most compliance based organisations focus on the problems, which takes attention away from the solutions. The follow-on from the adversarial approach, is that the problems are on the table, waiting for the legal procedures to be completed.

Less Discretion

Within a compliance approach, managers and employees have less discretion in changing or adding to the rules. The main focus is on following the existing rules about what to do and what not to do. For example, if the rule is to buy the cheapest vehicle in a tender for the fleet of vehicles, the decision-maker has no choice but to purchase the cheapest vehicle, despite the fact that spending a bit more money would be a better investment since the more expensive vehicle would last longer.

Top-down and Bottom-up

A positive aspect of compliance based organisations is that work and guidance can be both Top-down, i.e., led by the organisation's leadership, as well as Bottom-up, led by the employees or community pressure. When both are implemented, more is usually accomplished.

Integrity approach

Values based

The integrity approach is strongly grounded in values, ethical behaviour, with attention to the public good. Within an organisation that develops an integrity culture, discussing organisational values is an important part of training for employees at all levels. The aim is to create a common commitment to integrity and with all its elements in alignment towards the common objective for the betterment of the organisation and society.

Acknowledging the discrepancies between policies, rules and laws, and actual implementation

When an organisation is conscious that implementation of policies, rules and laws is often partial, then it will also pay attention to check where the deficits are, and either fix them, or at least take them into account when initiating projects and activities. This awareness is important, because it ensures that the organisation is operating with the fullest knowledge of what is working and what may not be working, and can therefore make necessary adjustments to minimise the negative impact of the discrepancies.

Collaboration: Conflict resolution, alternative dispute resolution

As opposed to the litigation route, the integrity approach uses alternative means to work together with offenders in order to solve the identified problems in the project being implemented. This is relevant whether these are issues that come up within an organisation or if through a Community Integrity Building process where trained monitors are gathering data in a public project. If the corruption or misconduct was very serious, there may also be sanctions, but fixing the problems is the main goal. Attaining this goal may entail using conflict resolution and alternative dispute resolution methods, which negotiate between the parties - often government, civil society representatives and the implementers, whether public officials or private business. This process enables the project to go forward, the community to benefit from it, and hopefully, the government won't have to come up with additional funds to complete the project.

Solution-focused

The integrity approach strongly focuses on developing solutions to the problems identified within the organisation, or by monitors of a public project or service. Again, the goal is to fix as many identified problems as possible - to have a high Fix-Rate - in order to provide maximum benefit for the organisation or community. The focus on solutions also entails 'Closing the Loop' by reporting back to the community and other organisational stakeholders about the progress of the project, what may still be unfinished, and whether there's a need to develop new solutions in cases where the original ones were not successful.

More discretion

An integrity-based organisation has a pre-determined interest in finding new ways to build a culture of integrity within an organisation. It is accustomed to searching for methods that create proactive opportunities for engagement of managers and employees in expressing what would help the organisation build an integrity culture. For example, if a suggestion was made regarding the initiation of incentives for employees to work with integrity - such as recognising an 'integrity employee of the month', or adding 'integritiy' as a criterion for promotion - the organisation would be more inclined to make these changes.

Top-down and Bottom-up

As with a compliance based organisation, a positive aspect of integrity based organisations is that work and guidance can be both Top-down, i.e., led by the organisation's leadership, as well as Bottom-up, led by the employees or community pressure. When both are implemented, more is usually accomplished.

From this chapter's information, gleaned from our experience in numerous countries around the world, our conclusion is that it is definitely important to have a strong organisational platform of compliance based rules and regulations, but alongside this, organisations and governments would surely benefit from the very powerful approach of integrity building.

There are significant advantages of building an integrity culture: building trust and trustworthiness, common values and commitment, awareness of discrepancies between having rules and applying them so you can adjust what you do as needed, using alternative conflict resolution methods to solve problems, focusing on developing effective solutions, and engaging citizens in top-down and bottom-up actions.

Section 2   Integrity

Module 6
Community Integrity Building (CIB) and Social Accountability (SA)

Section 6 Community Integrity Building (CIB) and Social Accountability (SA)
Purpose of this module

The purpose of this module is to introduce you to the concepts of Community Integrity Building (CIB) and Social Accountability.

The purpose of this and the other modules is to help students to learn theoretically and practically how they can practice, encourage and promote integrity in the various fields in which they study and hope to work. Thus a student of accountancy can look for the ways that building integrity is relevant to the field of accountancy, likewise for the students of education, business studies, etc.

This module of Integrity Action deals with the field of Social Accountability and with a particular methodology of social accountability that Integrity Action has developed called Community Integrity Building (CIB).

Integrity Action, as an organisation, deals with the following four ingredients of Integrity as the overriding factors in approaching social accountability and community integrity building:

Accountability: the ability of key stakeholders to check that you do what you say you do, and are answerable for any actions that are taken

Competence: doing things well in a specific context

Ethics: doing things with honour and with a public purpose

Without corruption: applying corruption controls and not abusing entrusted power for private gain.

Social Accountability refers to a process of strengthening the ability of citizens, civil society organisations (CSOs), and other non-state actors to work with governments to hold them accountable and responsible for implementing the laws and regulations that have been passed or agreed by different legitimate bodies. Often, these government responsibilities have not been executed, or not been executed properly. Social Accountability is also about encouraging government to be fully transparent and responsive to citizens' needs.

Community Integrity Building[69] (CIB) is a 5-phase cycle comprised of:

i)   context sensitivity, mapping the environment, stakeholders' needs and priorities;

ii) joint learning across government, business and civil society or citizen groups - called joint working groups (JWGs) - to work together for the common good;

iii) building an evidence base, through research, citizen monitoring and feedback;

iv) constructive engagement, using the JWGs to address and develop solutions to problems; and

v)   closing the loop, implementing solutions and integrating citizen feedback. The processes, tools, and mechanisms of CIB emphasise the resolution of problems, or "the closing of the loop" - meaning that the whole process - from identification of a problem to its eventual resolution to the satisfaction of all stakeholders - has been completed.

Students and other types of learners who are undertaking this module are not being trained as professional social activists, or staff of activist CSOs. They are being made aware of issues of integrity, helped to identify how these issues of integrity show up in the fields in which they work (or hope to work in, in future), and encouraged to employ some of the tools of social accountability and CIB during their time at university or on-the-job. With this practice and experience, learners will be able to use some of these tools themselves after they have completed university to take up leadership positions in their country, or for those learning in professional training, to use them at work.

The Module can be contained within the structure and organisation of a University (or secondary school) course, with a certain number of hours of theoretical work in the classroom, and will have (stressed in this module above others) a number of hours of practical experience when students will do a variety of realistic exercises as homework, or in the communities surrounding the University. In some cases this will mean liaising with local CSOs and Local Government bodies - and in some cases this can be done by the student on his or her own.

The Module can also be studied by public officials or other professionals as part of their in-service training. Integrity Action's suggestions for Community Integrity Building (CIB) stem from the research and experience of working on integrity challenges in the following countries: Afghanistan, Cote d'Ivoire, Democratic Republic of Congo, Kenya, Kyrgyzstan, Liberia, Nepal, Palestine, Sierra Leone, South Sudan and Timor-Leste. If your University is based in these countries, you may have easy access to practitioners of CIB. Academics in Armenia, Georgia, Moldova, Russia and Ukraine have also learned about CIB and are just beginning to investigate possibilities of incorporating CIB into their courses and trainings of public officials. If your University is based in these other countries, then it is likely that there are CSOs which are familiar with aspects of social accountability and CIB, and you should try to get in touch with them. If such CSOs do not exist, the module suggests exercises that the students can do on their own.

This module contains examples and exercises, but will only be powerful if it is strongly infused with examples from the lives of those who are participating in the module. It is important to make sure that this module is realistic and corresponds with the real world from which the learners are drawn.

[69]www.integrityaction.org/community-integrity-building-cib-guide 'A practical guide to Community Integrity Building guide', Integrity Action. London 2014

To situate these ideas in the real world, please see some of the examples which follow of problems that lend themselves to social accountability and CIB approaches, taken from Integrity Action case studies.[70] These give you an idea of the kinds of issues that students or professionals can look for in the communities surrounding the University or in their workplace, and the kinds of problems that CIB will help them to address. They are the raw material for social accountability and CIB work.

Examples of community problems from Integrity Action's experience

- In Nablus, Palestine rubbish collection was a real problem for local residents. The Municipality said that it could not do anything about this because the people did not pay their taxes and thus it did not have enough money to implement good rubbish collection.

- In Hebron, Palestine, availability of water to local people was a great problem, because the pipes were leaking and politically and economically more powerful people and institutions controlled whatever water there was. The Water Authority did not respond to the citizens' problems.

- In Lunga-Lunga, Coastal Province, Kenya, a government functionary claimed that a water pump was faulty, took it to his house "for repairs", but in fact used it himself for his own purposes, and to sell water at high prices, while many local people had to walk long distances for water.

- In Bazarete, East-Timor, schools had no basic equipment such as chairs, tables and blackboards, and the Ministry of Education was unresponsive to the complaints of the people.

- In Naryn, Kyrgyzstan, rubbish collection was in a terrible state. The few trucks that existed picked up rubbish randomly and without a system, and the Municipality was unresponsive to the people's complaints.

- In Mazar e Sharif, Afghanistan, a local school was being constructed, but the bricks and floor were discovered to be sub-standard and there were no windows or doors. The Contractor's work was not being supervised by the Local Government Education department.

- In Herat, Afghanistan, a new road was being constructed but local residents pointed out that it was not to the right width, depth or straightness. The local Shura council was not supervising the contractor, and the contractor did not listen to the local people.

- In Kenya, with the help of Kenyan jurists, the people realised that knowledge is power as communities receive legal training to demand better service delivery and access to information in Kenya. Prior to 2010, there was no law guaranteeing citizens access to government information.

Just to review, all of these cases provide examples of the four over-riding factors that Integrity Action identifies as being involved in Integrity building work, namely: Accountability, Competence, Ethical Behaviour and controlling corruption.

[70]www.integrityaction.org/resource/case-studies/all ; Search by country or theme

Chapter 1

Recap - Understanding integrity

If they have not done so previously, learners are urged to read the complementary Module from Integrity Action, called "Understanding Integrity" which is condensed here. This explains Integrity Action's understanding of Integrity, and is the basis for the way that Integrity Action operates:

Integrity Action has formulated the following equation which sums up its understanding of Integrity:

Figure 8: Integrity definition

Integrity: I = a (A, C, E) – c

Integrity is the alignment (a)
of Accountability (A)/Competence (C)/and Ethical behaviour (E),
without corruption (c)

"without corruption" includes the implementation of corruption control mechanisms

This means that Integrity is at its highest when:

- **Accountability is present**
  i.e. being open to all legitimate stakeholders to allow them to check that we or our organisation is doing what it says it is doing.
- **Professional Competence is present**
  i.e. having and deploying the skills and capabilities required to achieve personal or organisational goals
- **Ethical Behaviour is present**
  i.e. behaving in compliance with a set of principles and commitments that are established to guide decision making and behaviour - a consciousness of what is legally, morally, professionally important, obligatory or permissible
- **Corruption is controlled or when corruption control mechanisms are in place**

and

- **These four elements are aligned with each other**
  i.e. having consistency between what you or your organisation intends and/or says it is going to do, and what it actually does, with all elements leading towards the same goal of integrity.

To understand these four elements more fully, please see the passage below which is taken from Integrity Action's "Fix Rate - A Key Metric for Transparency and Accountability" 2013. (page 15)[71]

Accountability

Accountability is both the ability of key stakeholders to check that we do what we say we do, and responsiveness to legitimate internal and external claims. Individuals may have integrity without accountability, but it is an inherent part of the social contract that institutions, especially public ones, are to a greater or lesser degree held accountable, both vertically and horizontally. Without such accountability they may be honest in the sense that they may not be deceiving or cheating, but are in effect acting with impunity. A precondition for effective accountability, in turn, is some level of transparency. Transparency does not have a value in itself; it has value when it improves accountability in meaningful and useful ways.

Competence

Competence is the ability to do something well. Without competence an individual or organisation may have good intentions and be honest in the narrow sense of the word, but if an organisation does not deliver good infrastructure, healthcare or education, it would not, ultimately, be acting with integrity. Moreover, competence is a contextual norm. A doctor trained and educated in Germany may win accolades for competence in her native country, but might, despite her best intentions, not perform well in a refugee camp in central Africa - under duress, with limited access to medicines, and under poor sanitary conditions. Competence in one setting does not always translate into competence elsewhere.

[71]www.integrityaction.org/statistics-measuring-fix Fredrik Galtung. *'The Fix-Rate : A key metric for transparency and accountability. Working Paper No. 2'*, Integrity Action. London 2013.. page 15 'Operationalising Integrity'

Ethics

We define ethics as behaving with honour and public purpose. Ethical norms are contextual and what constitutes a public purpose or public good will often be disputed, even within a small, seemingly homogeneous community. Despite the inherent challenges of defining ethics, the willingness to engage with core values and issues that are in a wider public interest, such as the environment, access to justice, public infrastructure, etc. is inextricably bound with the question of organisational integrity. Without any reference to ethics, integrity can more simply be defined as "the full application of rules and laws" or as "doing what I say I will do."

Corruption

The final factor whose widespread presence fatally undermines organisational integrity is corruption. Corruption, the abuse of entrusted power for private gain, is one of humanity's most resilient and adaptive phenomena. It will not be eliminated through traditional accountability measures, nor by raising standards of competence or even by having open dialogues or agreeing on a common set of ethical norms. A major lesson of the last twenty years of activism and institution building in the field of anti-corruption is that effective deterrence and enforcement of anti-corruption norms requires a set of dedicated and overt resources and institutional mechanisms, which must, in turn, be complemented by other institutions.

Integrity challenges

Those who are working in the field of integrity building will themselves face integrity challenges, as well as observing many integrity challenges happening around them. An integrity challenge is where you, or those with whom you are working, are faced with challenges to one or more elements of your (or their) personal integrity and may be tempted to abandon or compromise such elements.

Facing integrity challenges

In the past, when faced with integrity challenges, most people would say that they had three options:[72]

a. Exit - to leave the situation (e.g., organisation) in which you find yourself which you cannot agree to and cannot change

b. Voice - to try and get people (often an organisational superior) to discuss what is happening and hopefully persuade them to do something about it

c. Loyalty - to accept the situation and do nothing to disturb the status quo.

What Integrity Action has introduced to the mix, by suggesting a structured way of working to build integrity, is a fourth option:

d. Strategise and organise - use the techniques of social accountability (including collective action) and Community Integrity Building to improve the situation.

The concept of Community Integrity Building[73]

Community Integrity Building (CIB) is an approach that has been developed in diverse countries to have a meaningful and practical impact on people's lives. It is a locally-driven approach that helps to identify and implement appropriate, viable solutions to improve the integrity of public infrastructure and services. Integrity is defined (as we have mentioned before) as the alignment of Accountability, Competence, Ethics, and corruption control.

Integrity Action facilitates an active and growing network of civil society organisations in Africa, Asia and the Middle East. Thanks to their efforts millions of people in these countries have better public services, but are also empowered to ensure that policies are appropriate, information can be trusted, and fewer public funds are wasted.

Since 2010, Integrity Action and civil society organisations which are country partners have trained more than 3,000 community members who have monitored more than 600 projects. The civil society partners make information requests, collect data on development projects through site visits, where they take photos, assess the project against the contract, budget and/or plans (if available), conduct beneficiary surveys, report through various platforms, including an online reporting platform called DevelopmentCheck, share their results with stakeholders

and work with them to address any problems found. Since 2010 with support from Integrity Action, these organisations have resolved problems in on average 50% of projects where problems were identified.

Integrity Action's Community Integrity Building (CIB) approach is a successful and cost-effective way to improve the quality of public programmes, development projects and services (hereafter referred to as projects), thereby improving the lives of millions of people.

This approach has five phases, outlined below, and within each of the phases there are a number of steps to follow and tools to use. Although communities often operate within very different socio-economic and cultural realities, most use the steps shown below in their Community Integrity Building.
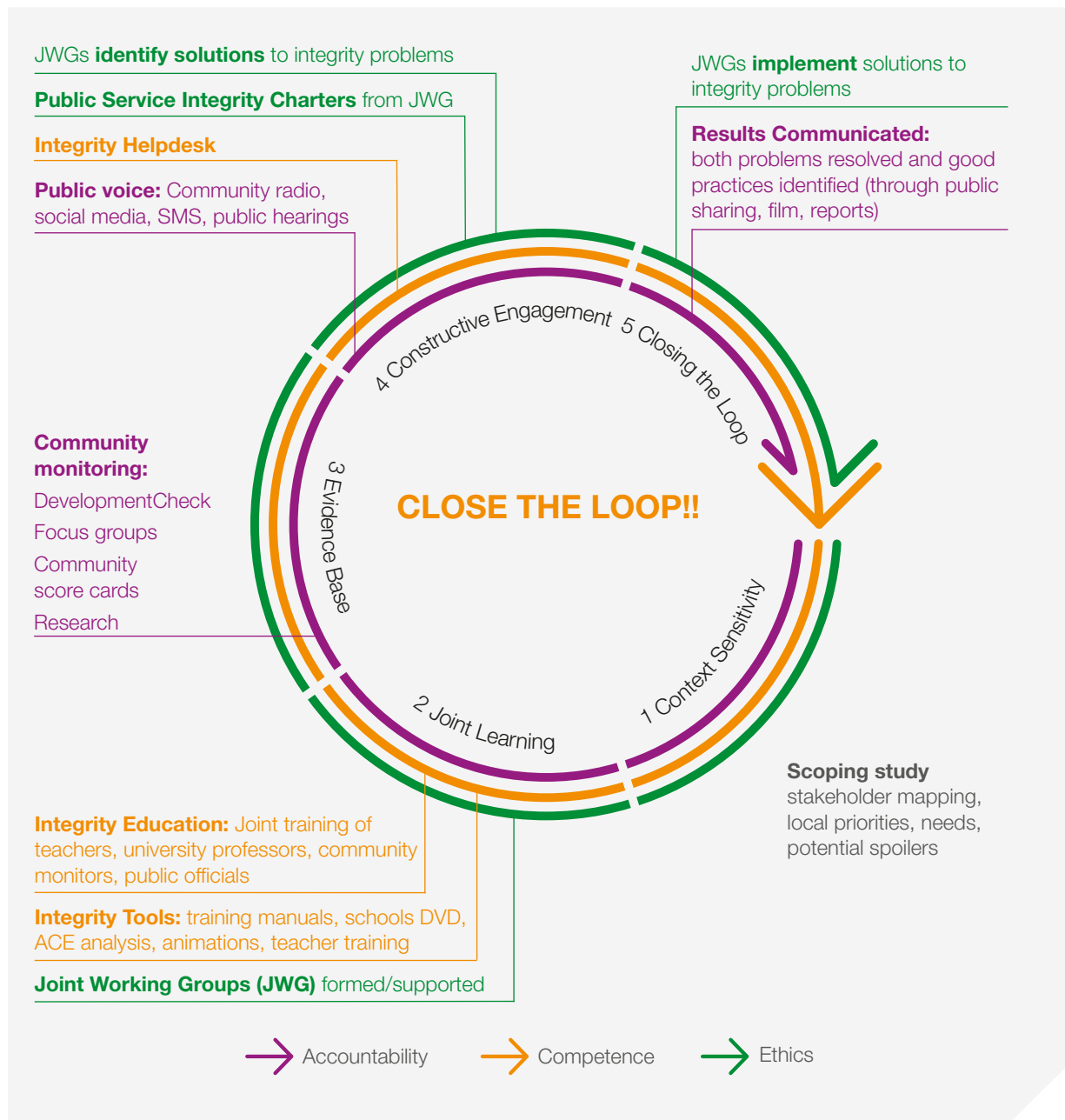
Integrity Action partners with local organisations to undertake Community Integrity Building. These organisations have a good understanding of the context and good rapport with the local people, and are prepared to work with the Local Government to try and resolve these issues.

Integrity Action's Community Integrity Building approach is shown in Figure 7

[72]Hirschman, Albert O. 2004. *"Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States"*. Cambridge, Mass: Harvard University Press.

[73]www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide'*, Integrity Action. London 2014

Figure 7: Integrity Action's Community Integrity Building Approach

JWGs **identify solutions** to integrity problems

Public Service Integrity Charters from JWG

Integrity Helpdesk

Public voice: Community radio, social media, SMS, public hearings

Community monitoring:
DevelopmentCheck
Focus groups
Community score cards
Research

JWGs **implement** solutions to integrity problems

Results Communicated: both problems resolved and good practices identified (through public sharing, film, reports)

4 Constructive Engagement   5 Closing the Loop

3 Evidence Base

CLOSE THE LOOP!!

2 Joint Learning

1 Context Sensitivity

Scoping study
stakeholder mapping, local priorities, needs, potential spoilers

Integrity Education: Joint training of teachers, university professors, community monitors, public officials

Integrity Tools: training manuals, schools DVD, ACE analysis, animations, teacher training

Joint Working Groups (JWG) formed/supported

→ Accountability   → Competence   → Ethics

Chapter 3

The process of Community Integrity Building

As can be seen from Figure 7, CIB consists of 5 phases or steps which follow on each other.
These are:

1. Context sensitivity

Whose components are:

1.1. Context and Stakeholder analysis

1.2. Community engagement

1.3. Establishing a baseline

2. Joint learning

Whose components are

2.1. Identifying community monitors

2.2. Training community monitors

2.3. Forming Joint Working Groups (JWGs)

2.4. Selecting the development projects to monitor

3. Evidence base

Whose components are:

3.1. Data collection, analysis and verification

4. Constructive engagement

Whose components are:

4.1. Sharing the findings

4.2. Identifying solutions and advocating for change

5. Closing the loop (Resolving the problem)

Whose components are:

5.1. Integrating feedback and implementing solutions to fix identified problems

5.2. Learning from the experience and assessing impact on people's lives

When we use the term "Project" in the following pages, this refers to the issue which the community has identified and wants to resolve. Below are the processes that are involved in Community Integrity Building. In the orange information boxes are actual examples of how these processes were used in Mwanda, Coastal province, Kenya.

Phase 1. Context sensitivity

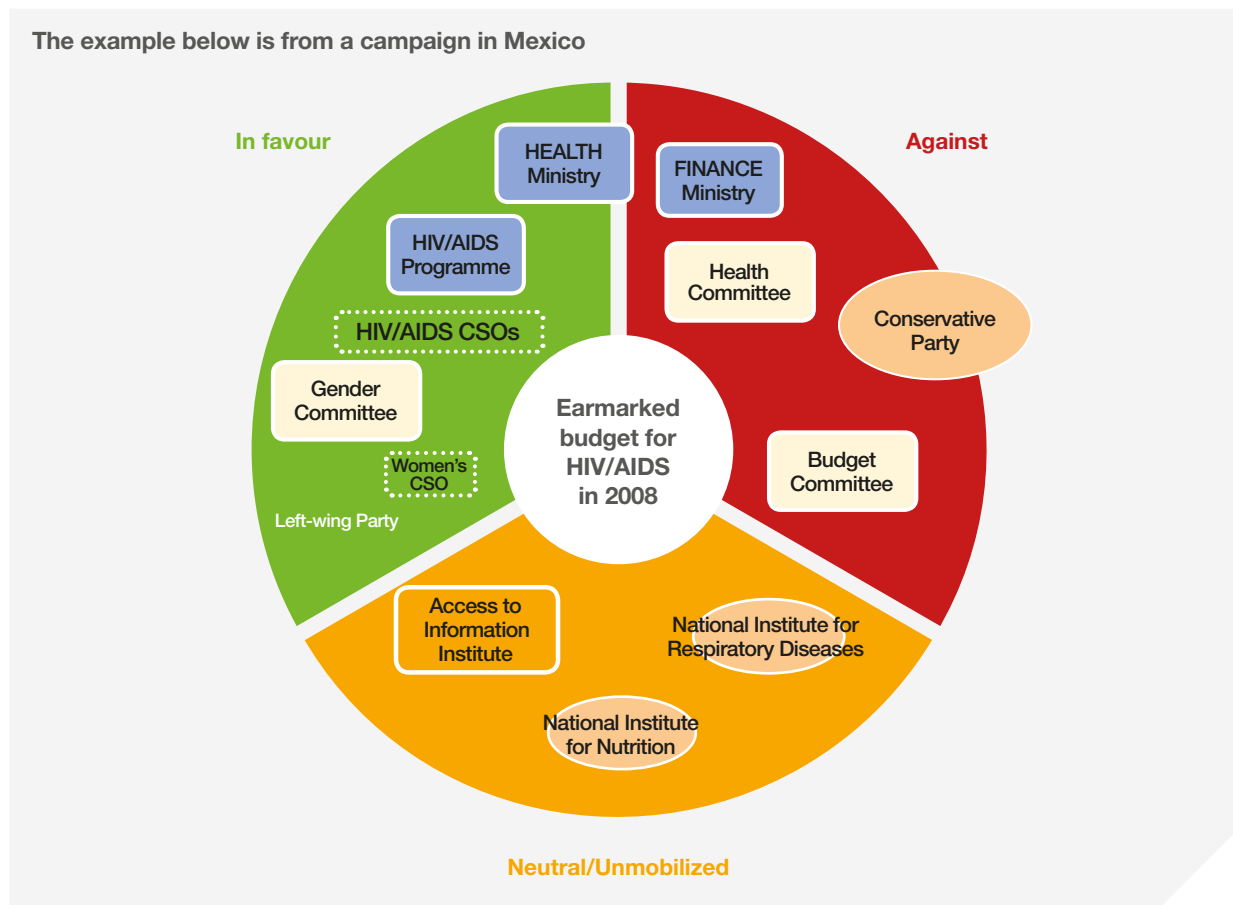### 1.1. Context and Stakeholder analysis

Understanding what is the context and who are the stakeholders is the first step in community integrity building. The main purpose of context analysis is to understand and address local communities' needs, concerns and capacities, and the different forces or influences that impact on their daily lives. A skilled facilitator is needed to work with community members in discussions to get clarity and consensus on the most important issues in the community and the factors that affect these issues.

The main purpose of stakeholder analysis is to find who is involved in or has an interest in the issue at hand. Communities are diverse so it is important to have representatives from a wide range of stakeholder groups including vulnerable or minority groups, such as women, persons with disabilities, ethnic minorities and youth. A skilled facilitator is needed to get people to identify which people and organisations are involved in a particular issue, and to make sure that all people have a chance to present their point of view.

Through stakeholder analysis it is possible to identify the roles of the various stakeholders in relation to the project, and in relation to those who can affect change in the project, such as government authorities that fund the project. Stakeholder analysis exercises can later become an important tool for advocacy activities, so that the findings and recommendations actually reach the relevant stakeholders, such as those who can fix problems in the project.

Here is an example of the result of a Stakeholder analysis of a different issue - that of developing the Budget for HIV/AIDS.[74] As you will see it is divided into 3 (In favour, against, and neutral or unmobilised). The size of each box illustrates the relative power of each stakeholder to influence the issue, and the distance from the centre illustrates the degree of support that the stakeholder has for the issue.

Figure 21: Conflict analysis

The example below is from a campaign in Mexico

In favour — HEALTH Ministry, HIV/AIDS Programme, HIV/AIDS CSOs, Gender Committee, Women's CSO, Left-wing Party

Against — FINANCE Ministry, Health Committee, Conservative Party, Budget Committee

Earmarked budget for HIV/AIDS in 2008

Neutral/Unmobilized — Access to Information Institute, National Institute for Respiratory Diseases, National Institute for Nutrition

[74]Stakeholder analysis from Mexico from the Aid & Budget Monitoring Training of Development Initiatives, Integrity Action, International Budget Partnership and Publish What You Fund

In post-war situations, it is important to also undertake conflict analysis - mapping factors, actors and scenarios that contribute to conflict and peace, as in Figure 21.

This enables the CSO to do an analysis of the context and have an understanding of the role CIB can play.

The context for the people of Mwanda was that the Local Council was responsible for piping water to local communities, had contracted a firm to install the pipes (and paid him), but these pipes had never worked. People had to walk long distances for water.

The stakeholders were the local waterless citizens, the traditional chief, local political parties, women's groups who had to carry water long distances, and local NGOs who wanted to take advantage of new Kenyan legislation for people's participation in development.

Phase 1. Context sensitivity

1.2. Community engagement

As local communities are central to the CIB approach, it is important to ensure local ownership of whatever action will be taken, and engage local communities in the process.

There are many different ways of engaging local communities. To do so, it is best to identify relevant community groups or associations of the people early in the planning process, and approach key stakeholders from the outset.

Make sure to conduct your stakeholder analysis prior to any community engagement. This will guide you in ways that will help the outcomes to be more effective, because it will have been done more objectively, without community pressures and highlight any potential spoilers so that you can design interventions to address these and have the highest chance of success.

Participatory community meetings are needed and may require to be facilitated so that they will engage community members. Avoid top-down delivery of information or attempts to tell communities what to think. The meetings need to be interactive discussions about the development process, the impact of local development projects on the community, and the opinions of the local communities about all of this.

Interaction with all members of the local community is encouraged, especially those most vulnerable, in the development or reconstruction process, such as women, people with disabilities, ethnic minorities and youth. Even if at first silent, vulnerable community members should actively be encouraged to contribute their voices to the discussion.

Community engagement

Community Engagement in Mwanda

The communities which had to walk long distances for water were very enthusiastic to get involved in this issue. They held village meetings (or Barazas) at which those affected would speak their minds, not just about their lack of water, but about what they understood to be the reasons for this. Women's organisations in particular undertook to energise people around this issue. The CSO supplied a good facilitator to make sure everyone's voice was heard.

Phase 1. Context sensitivity

1.3. Establishing a baseline

Baseline data refers to information gathered before a project or initiative begins. It is used later to provide a comparison for assessing impact. In CIB, a baseline study enables community members to analyse the context in which they are working and establish reference points against which to measure the progress and impact. A community baseline can contain details of original projects and current levels of transparency, accountability, participation and effectiveness.

The baseline can include the following:

- The number/nature of development programmes being monitored at the start of the action;

- The number/nature of local community groups already participating in monitoring processes;

- The number/nature of existing government/civil society forums;

- The degree to which donor, government and implementing agency policies mainstream transparency and accountability to citizens (for example whether donors, governments and implementing agencies proactively disclose key development information)

Establishing a baseline

Establishing a baseline in Mwanda

The CSO asked the community members for details of previous efforts to get the pipelines operational. People detailed the different attempts to build pipelines and the resulting failures. They provided information on the years that the latest project continued, the budgets allocated by the Council, the name of the contractor, and a history of those organisations which had complained to the council. They were able to tell what funds had been budgeted in which years, and the lack of progress every year.

Phase 2. Joint learning

2.1. Identifying community monitors

Local volunteer monitors, also known as focal points, are central to CIB. The **selection process** of the monitors should be credible and, by putting themselves forward for consideration, should be reliable and interested in addressing the needs of the community. There are a number of steps to follow in selecting community monitors. In some cases, where CIB is integrated in existing systems, monitors may come from established groups. For example, in Palestine, the Teacher Creativity Center works with the Ministry of Education to integrate CIB in the education system.

Steps in community monitor selection

1. **Establish a set of criteria** necessary for the role and interview/choose monitors who meet the criteria. When establishing criteria think about diversity in terms of age, gender and minority groups. This ensures a fair and transparent selection process.

2. **Hold a public ceremony and/or signing a code of conduct** where monitors agree to voluntarily conduct the monitoring. The code of conduct itself may be quite symbolic, since the real pressure for greater integrity comes from the mechanism of peer-to-peer accountability.

3. **Elections** - Hold an election in which the local community elects the community monitors. This ensures that the community monitor has a majority backing from the community.

Identifying community monitors

Identifying community monitors in Mwanda

The CSO worked with the local CBOs which had shown most interest - mostly women's groups - and explained the role and purpose of a community monitor. There was a lot of talk about remuneration - were they volunteers, would they get the use of a bicycle?

The Chief held a Baraza at which names were put forward and were voted on. Two community monitors were selected - one was the head of the women's group, and the second was an unemployed university graduate living in one of the dry villages.

Phase 2. Joint learning

2.2. Training community monitors and public officials

Once selected, community monitors are trained in monitoring skills such as analysing project documents, comparing the actual project to the documents, taking photos of the project, conducting beneficiary surveys, verifying their findings as well as advocating for the resolution of problems.

Well-trained community monitors can in turn provide specialised knowledge and skills to other monitors, such as when issues under discussion are technically complex.

Identifying community monitors

Training community monitors in Mwanda

The University graduate researched documents from the Council, and the woman leader was taught how to take photographs, and conduct surveys of the experience of the people in the dry villages. She also contacted a retired government engineer to advise them on the technical aspects.

Phase 2. Joint learning

2.3. Establishing or supporting Joint Working Groups (JWGs)

Ultimately, the success of CIB depends on some form of effective interaction between the local communities, local authorities and the service providers, including contractors.

Meaningful results are most likely to be achieved when local communities formalise interaction about the development process in a Joint Working Group (JWG) or Monitoring Committee where all sides have incentives to actively participate.

Depending on the context, these JWGs consist primarily of local government, service providers or contractors, and community members, such as the monitors, youth and women's groups and the village chief.

In some settings, these committees are part of existing structures, such as the County Development Steering Committees in Liberia, which were established to address the implementation of the Poverty Reduction Strategy Plan. In other cases, CSOs have helped to establish these committees at the district or provincial level, as in Timor-Leste and Afghanistan.

Constructive engagement in these committees where participants are committed to developing and implementing practical solutions is essential for institutionalising CIB.

Establishing or supporting Joint Working Groups (JWGs)

The Joint Working Group in Mwanda

The Chief was asked to meet the local council officials and ask them to join a Joint Working Group, pointing out how much interest there was in getting the piped water issue settled. The council members were apprehensive but agreed to come to a first meeting. The Council Secretary's wife was a member of the local women's group and encouraged him. At the first meeting, the local villagers made a point of saying this was a joint approach to solving a collective problem, and got the Council's commitment to be part of the process. A process of regular meetings of the JWG was agreed.

Phase 2. Joint learning

2.4. Selecting development projects to monitor

The local communities themselves should, if possible, select priority development projects that matter most to them. Participatory community meetings can help identify and select priority projects to be monitored by the community.

Projects should also be selected on the basis that the monitoring may have a wider policy impact. Monitoring a national programme, such as a national disarmament, demobilisation and reintegration programme (e.g. road building) enables comparison across localities and potential influence at the national level.

It is important to understand the process of decentralisation and who holds responsibilities for the projects or services. For example, CSOs in Sierra Leone chose primary health and education because local authorities were responsible for these. In Palestine CSOs

chose water and sanitation as local authorities were responsible for service provision and the CSO could therefore engage more effectively at the local level to resolve issues.

It can be tempting to monitor complicated or controversial projects as these often attract the most attention in the media, however we suggest that this is not the first priority as at times it may be beyond the communities' capacity or interest to do so.

The number of projects monitored should be proportional to the capacity of the CSO and the focal points or monitors. Selecting too many projects, or raising expectations too high, may inhibit the monitors' ability to gather credible data and advocate for change.

Selecting development projects to monitor

Selecting the project to monitor in Mwanda

There was no question that everyone wanted to monitor the water pipeline project, but the university student pointed out it was not just one project that was at stake, but the process by which the council budget was drawn up, the council procured contractors, and the Council supervised their work.

He also referred to the new Kenyan laws, which had set up structures through which the people were encouraged to interact with the Council.

Phase 3. Evidence base

3.1. Data collection, analysis and verification

Once community monitors have been trained, projects to monitor selected and joint working groups established, the data gathering begins. Data are gathered on three key areas: 1) Access to information, 2) Community engagement, and 3) Project effectiveness. There are numerous steps to follow in the data collection and analysis phase, from pre-fieldwork to fieldwork and data analysis.

Phase 3. Evidence base

3.1.1. Pre-fieldwork: accessing project information

Before going onsite to collect the data about the projects, monitors need to be informed and plan ahead. This pre-fieldwork often involves gathering as much appropriate information about the development projects that you intend to monitor. Solid preparation and research is the foundation of all monitoring work.

Community monitors can engage responsible bodies, including implementing agencies and government officials, to explain their objectives. They can also access project documents, such as plans and budgets, which should be kept centrally: e.g. recorded in a database or Excel file and analysed. Collecting this data enables monitors to track the funds and expected deliverables set out in the plans and contracts and compare this information with the reality on the ground.

Data collection, analysis and verification

Accessing project information in Mwanda

The university student was able, with persistence, to get copies of the District Council budgets for the year the project started, but was unable to get copies of the procurement and contract documents which gave specifications about the work to be completed, the prices, and the delivery schedules

Phase 3. Evidence base

3.1.2. Fieldwork: gathering evidence

Fieldwork is all about **collecting data**. The aim of a field visit is to **gather evidence on projects being monitored and feedback from the communities affected**, ensuring that as close to a representative sample of the population as possible is heard. You can interview stakeholders or disseminate surveys, as well as conduct site visits as part of your fieldwork.

Interviews and surveys

Interviews are often central to collecting information about the development projects that you are monitoring. Being able to ask good questions is critical to gathering evidence, whether you are engaging with citizens, service providers, government officials, donors, community members or anyone else. In every case, the way you ask questions will often determine the quality of the answers you receive.

Interviews can range from formal and pre-planned to more open-ended and conversational. They are usually divided into the following broad categories.

a. Structured interview
b. Unstructured interview
c. Semi-structured interview
d. Survey or questionnaire

Project site visits and physical assessment of the project

Monitors visit project sites, make a physical assessment of the project, take photos and record the status of the project. Monitors can assess projects without being qualified engineers. They can easily detect, for example, if bricks collapse upon contact, if wires are protruding dangerously, if sanitary facilities are not available, if projects have been abandoned or lack structures such as a foundation or roof. To build their skills, monitors are encouraged to work with engineers and contractors in their physical assessments. Some CSOs have also worked with university engineering students or engineers who volunteer as community monitors as well.

Phase 3. Evidence base

3.1.3. Validating monitoring data and communicating results to communities

It is important to have a strategy in place to ensure that data is correctly verified. If errors are found, the credibility of the monitors and the organisations supporting them will be called into question.

Additionally, monitors should be properly trained and supported during the monitoring process. It is important that the data collected accurately reflects the experience and views of the community.

Community monitors can validate the findings by sharing their monitoring results with communities. They can also take photos of the project and compare these, as well as conduct beneficiary surveys and compare with project documents. Comparing sources of information, or triangulation, is important for the credibility of the findings. All data are verified.

Fieldwork: gathering evidence

Gathering evidence in Mwanda

This was not a problem in Mwanda. Anyone could see the half built tanks, the broken pipes and the places where the work was half-finished. These were photographed and documented.

It was also not difficult to interview people affected by the failure of the pipeline project. The problem was to compile the information in a manageable form so that it was not just many opinions.

Structured interviews were held in which the same questions were asked to a variety of affected people.

The CSO also held interviews with retired engineers who were able to inform them of the cost of the work that had been done, so that this could be compared with the estimates, and the amount that had been paid to the contractor.

Further information was collected about the contractor, what else he had built, when, and with what results.

Finally the CSO asked the chief to hold another Baraza and, with the help of the community monitors, they presented all the information that they had gathered to this meeting, and outlined what they planned to do next - and got the meeting participants' approval for this strategy.

Enhanced reporting

Information and Communications Technology (ICT) - www.DevelopmentCheck.org

DevelopmentCheck is an online reporting platform for citizen feedback on development projects. Monitors in communities affected by development projects collect data on:

- **Access to information** - whether the communities can access key project information, such as the budget, contract, list of quantities, feasibility studies or project plans.
- **Community Engagement** - whether communities were involved in the project design and/or implementation.
- **Project Effectiveness** - whether the project is effective, complies with established standards and communities are satisfied.

Monitors identify specific problems in delivery and track on DevelopmentCheck whether they are resolved. The Fix-Rate, or the percentage of resolved problems, is captured. Once data are verified, organisations engage local, national and international authorities to use findings to inform and influence policy and practice. This means citizens have better services and are also empowered to ensure that policies are appropriate, information can be trusted and that money is spent on projects benefitting communities.

Phase 4.

Constructive engagement to resolve identified problems

Once evidence is gathered, community monitors share their findings with key stakeholders in order to address any issues they have found, and also share good practices they have seen. Negotiations must be conducted with the implementing entities, to convince them to implement the solutions to the problems - whether it be replacing sub-standard materials, completing a second floor that was reported as being finished even when it wasn't, or returning embezzled funds to the project account.

If problems with projects or services have been uncovered, they propose solutions or "Fixes" to these problems. **A Fix** is the resolution of a problem to the satisfaction of the main stakeholders, and the **Fix-Rate** is the percentage of identified problems that are resolved.

For example, if community monitors find problems in ten projects and resolve six of these, they have achieved a

60% Fix-Rate. If they resolved only two out of the ten problems, they would achieve a 20% Fix-Rate. A Fix-Rate cannot be evaluated on its own. It is important to understand the nature of the problems solved and the actions taken to resolve the problems. Fixing problems can take time, depending upon the type of problems involved.

Joint Working Groups are useful for collaboratively finding solutions to problems. In order to prevent further problems, monitors are encouraged to work with contractors and public authorities to ensure projects are planned, implemented, maintained and evaluated effectively.

Public hearings may sometimes help in this process although they are often seen as confrontational so context sensitivity is key to enabling longer-term engagement.

Constructive engagement to resolve identified problems

Constructive engagement in Mwanda

There were many meetings of the joint working group about resolving the issue. It was finally agreed that there should be a public hearing between local residents and the District Council.

The Council came to the meeting and the Community Monitors presented their evidence to them, and many local residents gave testimony about the effect it had had on their lives.

The main objective was to get the Council to repair the pipeline, but the community also wanted to be involved in procuring a new contractor and monitoring his work.

Some people also wanted the old contractor arrested and forced to pay back his fee.

Phase 5.
Closing the loop

Closing the loop occurs when feedback is integrated into a process and triggers an informed, appropriate response to resolve an identified problem. In this phase, stakeholders implement the solutions or recommendations proposed through constructive engagement. They track the Fix-Rate, identifying the percentage of problems resolved and those still needing to be fixed.

It is important to communicate the results of identifying and implementing solutions, including problems that have been resolved and good practices that have been identified, with all stakeholders. Because stakeholders such as government, business and civil society have been engaged throughout the integrity building work, validating

the findings and solutions with stakeholders can help build trust in the process and results.

Tools such as DevelopmentCheck, SeeClickFix and FixMyStreet[75] show problems with infrastructure and service delivery and whether they are resolved. These are helpful mechanisms both for engaging citizens and tracking Fixes and the Fix-Rate

When the feedback loop is closed and fixes are achieved, citizens have better public services and are also empowered to ensure that policies are appropriate, information can be trusted, and that fewer public funds are wasted.

Phase 5. Closing the loop
5.1. Fixing problems and advocacy

If solutions to identified problems are not found or implemented easily, then it may be useful to carry out an advocacy campaign.[76] Advocacy can be led and undertaken by the local communities affected by the development projects. These local communities have a critical and legitimate voice, as they live with the effects - good or bad - of the development projects, and are therefore important in determining the changes that should be made.

There is more than one way to do advocacy. It all depends on the issue being highlighted and the context in which it happens.

Confrontation can be the preferred method in some advocacy strategies. It seeks to obtain change via pressure and seeks to point out problems rather than offer solutions. However, high profile, confrontational strategies of naming and shaming might prove to be dangerous for the local communities

involved, as well as alienate them. Therefore instead of this confrontational approach, we encourage collaboration between local communities and public authorities.

Evidence-based advocacy offers a rational, rigorous and systematic case for key decision-makers to improve development programmes, projects and services, or reform inappropriate policies.

An important element of communication and advocacy is working with the media. The media can become important allies of CIB, turning investigative journalism into "integrity journalism" by reporting on problems as well as the efforts of citizens and public officials to resolve them.

Because the effort is collaborative, the success in achieving a fix should be shared with all stakeholders including local citizens, public officials and contractors

Fixing problems and advocacy
Fixing problems and advocacy in Mwanda

In the period leading up to the Public Hearing, the CSO arranged for the subject to be discussed on community radio, and succeeded in getting an article on the project placed in a **national daily newspaper**. The CSO's angle was that this was a test case of the new laws of Kenya about community representation. The community radio programmes also allowed the CSO to invite more people to come to the public hearing.

Finally the Council agreed that they would re-allocate money from the next year's budget to repair the pipeline and agreed to the residents' demands for access to procurement and inspection.

---

[75]www.DevelopmentCheck.org, http://en.seeclickfix.com/ (USA) and www.FixMyStreet.com (UK)

[76]www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide'*, Integrity Action. London 2014 ; pages 37-38

Phase 5. Closing the loop

5.2. Learning and assessing impact

In order to know whether we have achieved the CIB objectives we set out to accomplish, and to assess the impact of our work, it is important before starting the work, to develop indicators that will help us to know when a change has happened.

From there, it becomes possible to ask stakeholders questions about which changes have happened, and how, in a variety of ways. These indicators should be used to help us assess our own progress throughout the CIB projects.

As you will remember, we gave you some examples of CIB in action at the start of the chapter. Let us now see what the results of Integrity Action and its partner NGOs' interventions were:

Learning and assessing impact

Learning and assessing impact in Mwanda

After the Public Hearing and the Council's decision, the people demanded that the decision be documented on paper, signed, and this paper be publicised. All accepted that the repair work would come from the next year's budget and the public was asked to keep up the pressure on the council.

Some pointed out that because money would be re-allocated from another part of the council budget, they might well lose something by this re-allocation. It was important to understand these implications and weigh the options to implement the optimal solution.

Examples of community problems from Integrity Action's local partner NGOs

- *In Nablus, Palestine, rubbish collection was a real problem for local residents. The Municipality said that it could not do anything about this because the people did not pay their taxes and thus it did not have enough money to implement good rubbish collection,*

Integrity Action and their local partners helped residents to organise around the issue of rubbish collection, and were able to persuade local people to pay their taxes in the knowledge that the new municipal revenue would be spent on rubbish collection. Residents saw that new trucks were purchased, more street sweepers employed, and a schedule designed to cover all residential areas. Seeing results helped build trust in that the municipality was using their tax money for the benefit of the community.

- *In Hebron, Palestine, availability of water to people was a great problem because the pipes were leaking and politically and economically more powerful people and institutions controlled what water there was. The Water Authority did not respond to the people's problems.*

In Hebron it took three years of pressure by local residents' associations to get clear information about how the water was divided among city neighbourhoods and who made such decisions. Public pressure was put on the Municipality to allocate the water more fairly and local residents reported a three-fold increase in piped water and savings, because they no longer had to buy water from privately owned water trucks.

- *In Lunga-Lunga, Coastal province, Kenya, a government functionary claimed that a water pump was faulty, took it in his house "for repairs", but in fact used it himself for his own purposes and to sell water at high prices, while many local people had to walk great distances for water.*

A Joint Working Group was formed which investigated the case and took evidence. It revealed that the government functionary had no right to remove the pump, and that the pump was in good working order. The case was taken to the Constituency Development Fund which had funded the original pump, the government functionary was taken to court and ordered to return the pump. It has been re-instated to pump water for the community.

- *In Bazartete, East-Timor, schools had no basic equipment such as chairs, tables and blackboards, and the Ministry of Education was unresponsive to the complaints of the people.*

Integrity Action's partner, Luta Hamutuk, worked with elected female community monitors to document the situation of schools and sent a letter to the national Ministry of Education. Within six weeks a representative from the local Department of Education visited Bazartete, and after some time delivered chairs, tables and chalk boards.

- *In Naryn, Kyrgyzstan, rubbish collection was in a terrible state. The few trucks that existed picked up rubbish randomly and without a system, and the Municipality was unresponsive to the people's complaints.*

A Joint Working Group (JWG) was established, bringing together government officials, elected members, residents and community based organisations (CBOs) into a group called the Naryn Coordination Council. A media campaign was developed to increase the rate of tax collection, which would pay for more trucks and bins. A route and a schedule for rubbish collection was agreed and supervised, and a phone in programme arranged on community radio whereby local residents could complain if there were further problems.

- *In Mazar e Sharif, Afghanistan, a local school was being constructed, but the bricks were discovered to be sub-standard, the floor was below standard and there were no windows or doors. The Contractors' work was not being supervised by the Local Government Education department.*

  Integrity Action's local partner, Integrity Watch Afghanistan, worked with community monitors to gather evidence, then wrote a letter to the local government education department with their complaints. It was passed onto the Provincial Council which convened a meeting of the relevant government officials, traditional leaders, the donor and the contractor. The construction company agreed, in writing and witnessed by all present that it would finish its work to the required satisfactory level.

- *In Herat, Afghanistan, a new road was being constructed but local residents pointed out that it was not to the right width, depth or straightness. The local Shura council was not supervising the contractor, and the contractor did not listen to the local people.*

  Integrity Watch Afghanistan worked with people from six villages to arrange for them to complain to the contractor - who ignored them. They then wrote to the Provincial Government which responded that they could not help. The local residents, including many young people, then organised a series of protests and an advocacy campaign targeting the Provincial Government. They also engaged authorities in Provincial Monitoring Board meetings to review findings and implement solutions. The effort eventually paid off and the road was rebuilt to the original specifications, including a drainage system that was part of the plan, but had never been built.

- *In Kenya, with the help of Kenyan jurists, the people realised that knowledge is power as communities receive legal training to demand better service delivery and access to information in Kenya. Prior to 2010, there was no law guaranteeing citizens access to government information.*

These examples show where the CIB process was successful and resulted in a solution which was accepted by those affected. The solutions put forward by the Joint Working Group were actually implemented (and the problems were 'fixed'). This can be quantified using the Fix-Rate. The Fix-Rate measures the percentage of problems that are resolved to the satisfaction of key stakeholders.

When such fixes are achieved with some degree of consistency, this can be interpreted as a signal that a policy, law, or method of problem solving works and that it has the potential to become a routine practice in state-society relations. CIB is also very cost effective. It costs on average less than 1% of the value of the large infrastructure project or service that is being fixed. Aid and government projects in developing countries are conservatively assessed to lose 10-25% of the value of a project to fraud, corruption and mismanagement.[77] CIB can reduce these losses and deliver a significant return on investment.

Legitimacy

A very important part of CIB's success comes from its legitimacy - that the people own it. Its legitimacy derives from four key components:

1. The way in which the community chooses monitors and members of the joint working groups. The most effective are those chosen by democratic or consensual means directly by their community.

2. The fact that community monitors are volunteers. They are working because they believe strongly in public service and what they are doing. If they were paid a salary, their motives could be questioned.

3. The ability of the process to bring citizen representatives and public officials to work together - something that is often quite rare.

4. The fact that it is most effective when it is undertaken in response to local needs and priorities. People are likely to volunteer and be mobilised when they are addressing issues that are important to them, like schools, roads, water, electricity, sanitation and health services – and they are also likely to come up with innovative solutions.

Vulnerability

CIB is, however, vulnerable to the following factors:

1. People frequently do not know what entitlements they have under the constitution, law or public policies. For instance, they may not know the budget of local district councils, and may not be aware that they are entitled to know. It is much easier to energise people and authorities into delivering on a law or statute which is being broken (or not being implemented) than it is to try and get a new and useful law passed. An important part of CIB is getting access to information and advocating for such rights in law and practice.

2. Some people may be prepared to fight back against CIB-suggested solutions and not accept the process. This could be by refusing to come to JWG meetings, falsely accusing community monitors of political affiliation, doctoring or otherwise falsifying documents, using the police to outlaw citizens' meetings. This is especially likely to happen when the integrity challenge is that someone involved is stealing money, and wants to protect their illegal income or illicit access to resources. Citizens are vulnerable to those who have power over them. Understanding potential spoilers is critical to the CIB process.

3. People in power may simply deny evidence that has been collected and refuse to accept its validity – which they are sometimes able to do because of their position of power in the local community, and their control over people's jobs, livelihoods, or freedoms. A collaborative, constructive approach alongside building trust through formal and informal institutions or channels can help win these people over. In Sierra Leone, for example, organisations built a constructive relationship with a powerful, progressive paramount Chief who was also a Member of Parliament on the Public Accounts Committee to advance integrity at the local and national levels.

---

[77] www.integrityaction.org/statistics-measuring-fix Fredrik Galtung. *'The Fix-Rate : A key metric for transparency and accountability. Working Paper No. 2'*, Integrity Action. London 2013.

Chapter 4

Examples of Social Accountability mechanisms for Student practice

Now that we have learnt about the application of CIB in collaboration with local CSOs, we can appreciate that it would require some effort for a University student or public official to engage in it. The first step would be to find CSOs that are doing CIB or CIB-type work. Then arrangements could be made between the university or local government department and the CSO to collaborate on action learning by being part of a CIB project. Students could participate by accompanying existing monitors, learning how to monitor and applying other knowledge that they have to the monitoring, such as knowledge of research and data collection methods, negotiation skills, advocacy skills, IT skills, and more. Public officials could join the JWGs - or even initiate activities for CIB work if they don't exist - and participate in the CIB cycle in their localities.

If there are no local CSOs or NGOs in your region that practice CIB or want to practice it, then there are other means by which students or public officials can strengthen their skills and practice behaviours by participating in practical activities for social accountability.

But first, let's understand what **social accountability**[78] is. Social accountability refers to a process of strengthening the ability of citizens, civil society organisations (CSOs), and other non-state actors to work with governments to hold them accountable and responsible for implementing the laws and regulations that have been passed or agreed by different legitimate bodies. Often, these government responsibilities have not been executed, or not been executed properly. Social accountability is also about encouraging government to be fully transparent and responsive to citizens' needs.

There is value for students who are in full-time education in any field (e.g. accountancy, business studies, computer science, engineering, teaching, psychology, languages, anthropology, etc) in practicing some of the methods and tools of social accountability, either in collaboration with a local CSO's work, or on their own. Government officials should also be familiar with the social accountability tools that help citizens interact with government for greater transparency and accountability.

The following are social accountability tools and approaches that students can apply:

- Submitting requests for Access to Information from government offices
- Checking and comparing government websites for transparency and accountability
- Monitoring practices and projects
- Revenue/budget watch
- Surveys or questionnaires; uploading results on DevelopmentCheck
- Social audits

- Joint Working Groups (JWGs)
- Legal and social clinics run by CSOs or Universities
- Reviewing and improving recruitment practices
- The "Secret consumer"
- Investigative reports
- Interviewing victims of corruption or beneficiaries of another's integrity
- Advocacy and media

Before engaging in social accountability, a student may wish to map and contact civil society organisations who are actively strengthening social accountability in order to work with them.

The University may be able to help ascertain if there are any CSOs working in the immediate environs of the University, and if they are involved in social accountability work may offer the student the opportunity of volunteering with them on tools and learning processes such as Social audits, Joint Working Groups, or legal and social clinics. It can do this by:

- Personal contacts - Do any of the teachers of students know of CSOs working in the surrounding communities?
- Research through directories of CSOs which might exist in your country;
- Research through the Local District Council. There is very likely to be an officer in the Council whose job it is to liaise with local civil society organisations.

Note that not every CSO working in the surrounding area will be helpful to a student interested in working on social accountability mechanisms. Some may be inactive, some may be unconnected to the larger stakeholder community, and some may be affiliated with political parties and not helpful to your intended learning.

If there is a relevant CSO working in your environs, then there could be a formal approach to introducing the university or the integrity programme within the university, so as to consider suggestions for possible collaboration. In turn, the university might like to know more about the CSOs' activities so that it can ascertain for itself whether there is a good match between what they are doing and what the university students might learn from them.

Depending on local norms, it may be sensible for the student to have a letter of identification to explain the citizen engagement activities being sought and ask the authorities for assistance. If the student is going to be approaching the Local District Council office, for example, it could be helpful for the university to officially contact that office and inform them of the university's students' intentions.

[78]www.thegpsa.org/sa/; and www.thegpsa.org/sa/gpsa-knowledge-platform

In all of these cases, the teacher should agree with the students on the social accountability tool and methodology to apply. After the students complete the exercise, they should submit a report to the teacher, and debrief on the exercise in the classroom with the other students to analyse the experience, including challenges and lessons learned, while receiving their comments and questions.

Following are further details about social accountability activities.

Access to information

There is a proactive and reactive approach to access to information. Proactive disclosure or public transparency implies that the information is readily and freely available and accessible, for example, on a government website or on a signboard at a local office, project site or service facility, such as a clinic or school. Reactive disclosure refers to information being made available upon request. You have to ask for the information in order for it to be made available.

There may be a Freedom of Information Law (sometimes called Access to Information or Right to Information Law) in place in your country, which allows you to ask the government for information on a topic of interest or concern. The basis for such laws, which have become more widely accepted in the last decade, is that all government information should be available to all of its citizens unless there is an overriding reason why this is not the case - and these reasons are usually based on security, commercial or personal interests. Some laws may require a fee for the provision of information, to cover administration costs, and there should be a clear timeframe for the delivery of information.

An example of the sort of information that might well be of interest is the annual budget of local government, broken down by planned expenditure. This will inform you of the spending plans, the programme allocations, and other information about the use of public funds. These can be compared with what was actually spent, or compared to what the people in the community consider as priorities for the budget, including various services, such as health and education.

In many cases, whether there is a law in place or not, the local authorities will not offer such information freely, considering that such information is their business, and not the business of any citizen. In such cases, a polite and specific letter can often get such information released. A request channelled through personal contacts can sometimes be more successful. It can often be helpful to build a relationship with clerks who can be the 'gatekeepers' to public records. Where there is a Freedom of Information Law, then citizens have the right to ask for the information, and if they don't receive it, they have the right to complain until it is delivered.

Not surprisingly, the process of asking for government information is bureaucratic - a person needs to know how to ask for the information, through which channels, and what to do if the information is refused or simply not supplied. In some countries, public officials are penalised for not providing responses to information requests within 30 days. In others, one must persist in order to receive a response.

Students should become familiar with the situation in their own country concerning Freedom of Information, and if there is such a law in place, should go through the process of seeking such information through the relevant channels. Once the topic of concern or interest is identified, think strategically about the kind of information that is useful to a person or organisation seeking to build integrity.

If there is no Freedom of Information Law in place, then students may wish to discuss with the teacher and/or an organisation familiar with accessing information various methods to obtain desired information, including writing letters and personal visits to the government office.

The learning objectives are: (a) accessing information which will be helpful in assisting a CIB or social accountability initiative, and (b) overcoming challenges to accessing information, including a constructive approach to engaging various stakeholders.

✏️ **Exercise**

Submit and follow requests for information from national, regional and local government

Guidance and examples for submitting access to information requests can be found in Integrity Action's 'Practical Guide to Community Integrity Building'.[79] The information includes:

1. How to make a request
2. Do you have to pay a fee to ask for information?
3. When and how will you receive the information?
4. What happens when you don't get the information you ask for?
5. Donor countries with Access to Information Laws

---

[79]www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide'*, Integrity Action. London 2014 ; pages 22-23

Checking and comparing government websites for transparency and accountability

One of the ways that organisations have aimed to reduce corruption is by removing the face-to-face transactions that allow for the possibility of discretionary decisions, and put information on their websites - activities that can be called 'e-accountability'. The Municipality of Seoul, South Korea, for example, has become very well known for this. All aspects of the expenditure of funds by the Seoul Municipality are available on a website for anyone to see.

There has been a growth of such e-accountability websites all over the world, and it is likely that your country has an online presence at the national and/or regional or local levels, whether filled with budget information, reports on public projects being implemented or having a facility for citizen comments, enquiries and requests for further information. If there is such a website in your country, you can become familiar with it, and begin to follow transactions or commercial contracts through the bureaucratic processes.

It's important to note that transparency itself is not a goal on its own. Transparency may provide information, however if it is information that is not understandable to the average reader, then it is not useful, and if it hasn't been applied in any way, it has also not been useful. On its own, even clear and transparent information does not lead to strengthened accountability, and in this case, it has no or little impact. Within the concept of integrity, accountability is key to good governance at all levels, and to the proper functioning of organisations of every kind, large or small. It is the demonstration to stakeholders that they have access to information and can observe that you are doing what you have promised to do. Transparency is thus an important means to the end, which is accountability.

The learning objectives are: (a) understanding how an e-accountability website works; (b) comparing it from the perspective of integrity with the old system before it was upgraded to a website (try using an Integrity Lens - determine accountability, competence and ethical behaviour and corruption controls in the old vs the new system, or in comparing websites from different countries), and (c) giving a perspective as to whether the e-accountability website process provides answers to questions for which citizens would like information.

Exercise

Checking and comparing e-accountability websites

Comparing e-accountability websites from different countries can be very interesting. You can start with your own country to see what types of information are available, and then move on to comparing your own country's website to those of other countries. You can choose to compare:

- Government budgets
- House of Parliament,
- individual Parliament members' websites - look for Parliamentary committee involvement, declarations of assets, laws promoted for approval, etc
- government Ministries' websites - look for budgets and public projects being implemented
- regional and local government websites - look for budgets and public projects being implemented, opportunities for citizen engagement - suggestions, complaints, involvement in monitoring or reporting problems

Through these websites, learners can see how much and what type of information is provided, in what formats, how easy they are to understand, how detailed the information is, how accessible is the website in enabling citizens to submit queries for additional information, and other issues.

Monitoring practices and projects

Governments spend a great deal of money every year on projects - mainly on roads, health, education and agriculture. Public contracts procuring goods, contractors and services are worth approximately GBP 5.5 trillion per year.[80] These projects go through bureaucratic procedures of planning, design, budgeting, approval, budget allocation, procurement, disbursements, implementation and execution, monitoring and evaluation.

Learners can start by interviewing officials from the relevant government offices and/or contractors about the formal processes involved in implementing projects, and then discuss these with many different stakeholders to try to ascertain the integrity (accountability, competence, ethics and corruption control) of the project.

Integrity failures that students can learn about include: collusion between contractors to bid high prices on

---

[80]Kenny, Charles (2012) Publish What You Buy: The Case for Routine Publication of Government Contracts

government contracts, using substandard materials such as mixing too little cement when pouring foundation (which 'shortens the life' of the cement), and bribing council employees to leak procurement details.

The learning objectives are: (a) understanding the project process, and considering how easy it is for others to understand it: (b) identifying the places in the process which are vulnerable to integrity challenges; (c) considering ways in which the vulnerable places can be strengthened

---

Exercise
Try the following activities

1. Prepare an action plan to 'design out' corruption, using an Integrity Lens (accountability, competence and ethical behaviour without corruption/with corruption controls); this means to make corrupt behaviour difficult, due to procedures that check and audit finances/purchases, monitor behaviour and offer rewards or sanctions, as appropriate.

2. Prepare a script for negotiating with a contractor to correct mismanaged implementation and to return to the project budget amounts lost to fraud, mismanagement and corruption. Be sure to anticipate different responses and be ready to counter-respond to them.

Revenue/budget watch

The complete budget of a local government is made up of transfers from the Ministry of Finance, usually through the Ministry of Local Government, and local income gained from local taxes, the sale of local resources (like sand or gravel), and the renting out of services (like markets, road tolls, levies).

The processes whereby such revenues accrue to the Local Council, and are then spent by them on projects and services which have been agreed through the District Council governance structure, are, at every point, complicated by

such issues as delays, political pressures, union pressures, etc. - many of which involve integrity challenges.

The learning objectives are: (a) understanding the process of financial management when running a district council according to its agreed and legitimate functions, (b) the complications involved in some of the revenue streams and the reasons for these; (c) the complications involved in spending Local Council funds; and (d) the concerns that the Council may have about the leakages in the system.

Exercise
Try the following activities

1. Interview a government official about the procedures of the Local Council to choose and carry out projects and spend its budgets. Ask questions about integrity challenges that come up, clearly stating that you would like to learn about problems and share ideas about how to resolve them.

2. Draw up a flow chart of the revenue streams in the Local Government office, and the expenditures out of it, marking on this the areas of greatest pressure for those running the Council, and by implication, the areas in which integrity challenges are largest.

Surveys or questionnaires

There are very many ways of conducting surveys. It is important to understand that the purpose of surveys is to gather information from a group of people about a particular topic or topics, in order to learn from it, and hopefully apply the learning to some productive and positive activity. The CIB cycle demonstrates several ways of using data productively in each of the 5 phases of the

cycle. For the purposes of integrity- and corruption-related learning and especially for monitoring projects, data gathering is a critical part of establishing baselines for a community of interest. This could be part of Phase 1 of a CIB cycle project - Context sensitivity - to help establish a baseline of data, alongside other information gathered through stakeholder analysis. In Phase 2 of the CIB cycle project, JWGs (Joint Working Groups) including public

officials and citizens/students working together to plan what information will be collected. Information collected in Phase 1 may be used for comparison with the data gathering as part of Phase 3 of the CIB cycle project - Evidence base. In Phase 4, citizens/students and other participants will apply the data to choose priorities and which problems to solve, and to develop solutions that will be implemented in Phase 5. Finally, ultimate results of the project are relayed back to the stakeholders and the community to assess if they are satisfied with the results, and where there is more work to be done on problems that have yet to be solved. If so, the cycle continues to try to resolve the remaining problems.

There are many technical issues regarding what constitutes the group surveyed, how many participants are required in order to provide reliable and sufficient information, what are the relevant measures for gathering the information, how to analyse information, how to convey the findings back to the interested parties, and how to apply the knowledge gained to achieve a positive public purpose. These issues can be learned in-depth in a research methods course, but basic information is provided in Integrity Action's Community Integrity Guide.[81]

Different types of survey 'instruments' or tools are available for gathering needed data. One of the most valuable survey instruments for people interested in integrity challenges is called the **Citizen Report Card (CRC)**. Pioneered by the Public Affairs Centre in Bangalore, India,[82] the CRC is a survey of citizens as users of government services whose experience of such use is collected together in the form of report cards. The report card reflects the actual experience of people with a range of public services. They are participatory surveys that solicit user feedback on the quality and performance of public services in order to share aggregate findings and recommendations, and ultimately bring about reforms in the public service delivery system.

A key feature of the CRC method is that survey findings are placed in the public domain through the use of media and public meetings thus making it an effective instrument to promote transparency, responsiveness and public accountability.

The World Bank suggests the following points as being essential to conducting a good Citizen Report Card survey:

- commitment to gather credible data on user experience,
- constructive and solution-oriented approach on the part of the CSOs rather than confrontational advocacy.
- competence, professionalism and credibility of the group that undertakes the CRC exercise,
- commitment by the public agency to engage in the process, listen to critical analysis and initiate reformative action based on the findings, and
- active involvement of the mass media to ensure that the findings are widely disseminated and debated.

It is unlikely that one citizen or student would be able to undertake all the preferred aspects of a CRC, but it is a valuable tool to apply, and can be slimmed down to fit the time and resource circumstances - e.g. to survey one street concerning one aspect of their experience with government services.

The surveyer can learn more about the CRC from the Public Affairs Centre's website (www.pacindia.org/), and can undertake a small CRC in consultation with a teacher.

The learning objectives are: 1) understanding how to create or adapt a survey to the needs of the population to be surveyed; 2) understanding the importance of data accuracy; 3) acquisition of new skills in analysing data; and 4) knowing how to report back to the community that has been surveyed.

Exercise
Try the following activities

1. Choose a survey instrument appropriate for conducting a small survey (see the CIB Guide[83], page 11)
2. Conduct the survey.
3. Analyse the data, try to develop solutions to their problems.
4. Report back to the persons surveyed
5. Try to present the findings to the local government leadership and encourage implementation of the solutions or work together on alternative solutions.

---

[81]www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide'*, Integrity Action. London 2014; pages 10-12 and 24-29

[82]http://siteresources.worldbank.org/INTPCENG/1143333-1116505690049/20509275/making.pdf

[83]www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide',* Integrity Action. London 2014, page 11

Social audits

A social audit is the public scrutiny of governmental or non-governmental projects implemented in communities. The social audit focuses on how resources are used for social objectives, including how resources can be better mobilised to meet those objectives. It must include the experience of the people the organisation is intended to serve. It also includes a mechanism to address findings with the government or service provider, including a public hearing. A public hearing is an open meeting between citizens and the government at which an issue important to local citizens is being brought up for discussion.

Depending on the way that Local Government works in your country, it may be the responsibility of the local Government office to announce the date, time and place and invite people to participate in a social audit, or the initiative may be planned by the community to hold a social audit when they want to do so.

Since the social audit is looking at a particular project on which funds have been expended, and the public is given the opportunity to give their views on this to the local government, it is very important that those who attend have the information that they need in order to participate.

The important issues for a successful social audit are:

a. Participants know the basic information - what was the budget, who agreed to it, who was contracted to do the work, details of the process of that person being contracted, whether the work has indeed been executed, whether it has been inspected, whether the money due has been paid, and if so, how much?

b. Participants have visited the site and monitored activities and documented data related to the targeted issues, based on direct observation, and, if needed, have taken photos, and offer opinions or comments which are based on evidence.

c. Participants are familiar with the procedures of how Local Government works.

d. The social audit report is presented, an inclusive discussion is held, clear resolutions are made, and the meeting ends with a clear plan to implement these resolutions.

The most risky or destructive elements of a social audit are:

a. Participants are unsure who is chairing the proceedings, and whether a facilitator is allowed.

b. The responsible body has not released to the participants the necessary information about payments made.

c. Comments made by participants are only anecdotal, rather than evidence based.

d. The Local Council is defensive and will not discuss the points raised by the participants.

e. The discussion gets derailed by people with personal issues or vendettas.

f. The discussion is poorly managed and points are not noted.

In some countries (e.g. Nepal), social audits are part of the procedures of the local government, but in other countries they need to be requested by the local community because they have a problem with a particular government project.

The learning objectives are: 1) knowing how to gather documents of a project to be monitored/audited; 2) understanding how to document information accurately in an orderly manner and using various media; 3) acquiring new skills to analyse data; and 4) understanding the process of holding a public hearing, with reporting to those present the results of the social audit and proper documentation of decisions taken.

✎ Exercise
Conducting a social audit

1. It would be very valuable for a student or other learner to participate in or observe a social audit, if one is taking place conveniently. The learner may wish to get agreement from the CSO, Local Government, and local community in order to participate.

2. It is helpful for the learners to research and prepare responses to the points raised by the data collectors and presented in the Public Hearing, and should also note the resolutions (getting a copy if possible), and report on the dynamics of the meeting.

Joint Working Groups (JWGs)

You have seen that Joint Working Groups are a fundamental element in Community Integrity Building. These multi-stakeholder groups may already exist, or need to be established in order to build trust and integrity in practices, systems and policy, review findings and develop practical solutions to identified problems.

The student should be seeking to understand the answers to the following questions, depending on the stage at which you are connecting with the JWG.[84]

a. In the process of identifying people to join the JWG:

- Has the CSO conducted a stakeholder analysis and map to understand different forces operating in the district and community, and does the JWG reflect the diversity of the community involved?
- Have the local government officers agreed to be part of the JWG? Has this been a difficult process? Who has been involved in persuading them to be part of it?
- What level of the Local Government staff will join the JWG? Does the person concerned have the power to make decisions? If not, to whom does he/she have to report?
- In your opinion, has anyone been left out of the JWG whose absence is going to make the integrity building work more difficult or insufficiently representative?

b. A JWG agreed but not yet active

- Do all the members of the JWG understand their role and responsibilities?
- Do you feel that there are tensions between members of the JWG (particularly between CSOs and Local Government)?
- Does the JWG have an agreed system for meetings, and a chair?
- Has the JWG agreed on confidentiality of their meetings, and how the media is to be managed?

c. Fully functional JWG

- Has the JWG taken and implemented decisions? What were they? How easy was it to do so?
- Have there been smooth discussions, or has the work of the JWG been difficult?
- If there were difficulties, what was the cause of them?

The learning objectives are: 1) understanding the importance of diverse representation on the JWG; 2) understanding the process of building trust between members of the community, NGOs and local government.

Exercise

Observing a Joint Working Group

1. It would be very valuable for the learners to sit in on a meeting of the JWG, if this is happening at the right time, and if all parties agree to the presence of an outsider. If this becomes possible, the learners should write a report on that meeting, not only noting what was discussed, but the feelings "between the lines".

2. If it is not possible to participate in a JWG, then try to interview several of the members individually to learn about their experience as part of the JWG and monitoring. Prepare a report of the various perspectives of the diverse membership of the JWG.

Legal and social clinics

In some countries, and with some CSOs, free legal and social clinics are set up which citizens can visit in order to get access to information or advice. In the United Kingdom, such "clinics" are called "Citizens Advice Bureaux". Legal and social clinics are also set up in many universities around the world. These clinics provide law and social work students to provide free advice to citizens regarding legal issues and issues of realising their social rights and entitlements (e.g. they are not receiving their pension) from the government.

It is also possible that a group of people may come to such a clinic in connection with a community issue (e.g. the water pipe to their village is broken and they cannot get the responsible people in the government to fix it). Very often a clinic will need to inform those who approach it that they need to get more documentation or more evidence about the topic on which they are seeking advice.

Three challenging aspects to such clinics include:

(a) they become swamped with complicated personal issues, e.g., regarding land entitlement, for which the clinic advisors usually cannot help;

---

[84]www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide'*, Integrity Action. London 2014 ; pages 6-9

(b) clients assume that the students or CSO staff have formal power, which is not the case, as they can only offer advice, not decision making;

(c) troublemakers like to use them as supporters of their cause in opposition to the local power structure - for instance, the Chief, the Political party, or the local government.

The learning objectives are: 1) understanding issues that are of concern to citizens, such as realising their rights and entitlements from government; 2) feel what it's like to assist someone with a problem through competence (i.e. knowledge of laws and entitlements) and demanding accountability from the government to fulfil its responsibilities.

Exercise

Observe the workings of a legal or social clinic

1. Learners can ask for permission to attend and/or observe a legal or social clinic in action, if one is taking place conveniently. It is helpful to get agreement from the CSO or university managing the clinics in order to participate.

2. Learners should listen carefully to a variety of requests for help, and ask the CSO representative or university student advisor how they prepare to respond to so many different issues. The learners could further interview an advisor, asking questions about how it feels to help someone with a problem, and to what extent the problems are resolved, thereby tracking the Fix-Rate of the clinic.

Reviewing and improving recruitment practices

Hiring and firing of staff is one of the areas where integrity is not always followed. Favouritism (selection by favouring a person for a job based on reasons other than merit), cronyism (selection of friends or colleagues) and nepotism[85] (selection of a relative), are based on personal interest rather than professional competences. These practices are often carried out by people in power, despite the fact that they are unethical. These decisions counter the rules that ensure that recruitment processes are based on the merits of the candidates.

The first step in understanding recruitment is to get copies of the recruitment policies and procedures from an organisation, or even from one's university, and discuss the policies with one of the organisation's Human Resources (HR) professionals. Anonymous or hypothetical examples could be provided, to illustrate the decision-making process related to recruitment.

In a large organisation, it may be that a candidate has a personal relationship (relative, close friend, former colleague, etc) with someone on the HR committee or the person who would be managing or overseeing the work of the selected employee. This may present a conflict of interest that needs to be declared by the candidate as well as by the relevant professional involved in the recruitment process. Note that a conflict of interest doesn't automatically mean that there is an unsolvable problem, but rather that the issue needs to be reviewed carefully and potential solutions offered which may 'neutralise' the conflict of interest.

Various solutions may include having the person with the conflict of interest abstain from participating in the entire recruitment process or in the decision-making, or if the applicant is a desirable meritorious candidate, he/she may be hired for a position that is not directly supervised by the person with the conflict of interest.

It is important to document these types of issues in organisational recruitment to ensure that procedures are followed properly and problems such as conflict of interest are resolved ethically, and with integrity.

While discussing HR policies, it is noteworthy to recognise that incentives to encourage integrity could have a positive impact on employee behaviour and commitment to integrity. For example, from discussions in workshops with academics from various countries, different types of incentives, if implemented, were considered to potentially be effective towards strengthening integrity. These included recognition with the organisation of an employee's integrity on-the-job, including integrity as a criterion for job performance, considering employees with high integrity as primary candidates for promotions and salary raises.

The learning objectives are: 1) understanding the position that a company or organisation has on fighting corruption and supporting integrity related to employee character; 2) ascertaining how seriously these stated commitments are enforced and how much their actual practices are in alignment with their public position; and 3) making recommendations to strengthen the integrity of recruitment practices and of employees.

✏ Exercise

Understanding and reviewing recruitment processes

1. Try to get a copy of an organisation's recruitment procedures, or even of your university's procedures, and study it, noting whether integrity or its components are among the positive criteria for recruitment, along with educational and professional experience.

2. Try to obtain permission to directly observe a recruitment discussion, and then ask questions about their human resource policies and procedures.

3. Ascertain the systems and structures in the organisation that support the practices of integrity - whether there is an Ethics Committee or Integrity Advice officer or centre to which employees can turn if they have witnessed corruption or malpractice; whether there are any in-service training courses on avoiding corruption and building integrity; whether the company or organisation makes any public statements about its position on integrity.

---

[85]www.scu.edu/ethics/practicing/focusareas/government_ethics/introduction/cronyism.html

The "Secret consumer"

In some government offices, there is a notice board outside which lists the services provided by that office, which part of the office deals with which service, what are the working hours, and what are the prices to be paid for the various services. In other government offices, this does not work in the same way - there are no clear directions, people are lost, no-one is helpful and the stated prices are often less than is required from the customer.

By being a 'secret consumer', the learner can experience first-hand how some public officials carry out their duties.

To be fair, you should use several different services, or different officials for each service desired, in order to have several cases to document, since a data point of 'one' is simply anecdotal, and no conclusions can be made of it.

The learning objectives are: 1) ascertaining how a government office treats the consumer, and 2) comparing the actual service received to how the service is described on the website, in official signage or other form of documentation.

Exercise

The 'Secret consumer'

---

1. The learner should choose a government office which provides a service that s/he requires, and should use that service - paying a bill, getting a copy of one's birth certificate, asking for specific information or whatever is relevant. By becoming a 'secret consumer', the learner can document the provision of the particular service, and see how it is handled. Some types of service will require time, so response times are important to document. If you don't get a response by the determined time, what are your options for recourse?

2. The learner should also look around at the other "consumers" in the office and see how they are managing – how long have they been waiting, what is the attitude of the government officials to the customers, what is the condition of the office.

3. If feasible, the learner can stand outside the office and greet everyone coming out of the government office, informing them that a survey is being conducted for educational purposes, and ask about the experience of the service. This becomes a survey of consumers that can be documented.

Investigate reports

Learners can expand their skills by paying attention on a daily basis to ethical or integrity challenges that they observe occurring in their surroundings. In Jakarta, Indonesia, Paramadina University had their students identify corruption, fraud or mismanagement, and they wrote up what they observed and did about it in several case studies (see the Case Studies section of the Integrity Action website: www.integrityaction.org/resource/case-studies/all). It could be a bribe request by a police officer for a fake traffic violation charge, or a bribe proposed by a student to a professor to be given a good grade, or a serious road obstruction that has not been taken care of and endangers the public.

It is interesting to note that if people are astute in their surroundings, you will often see many things occur that would otherwise be missed. Learners can sharpen their skills of observation and of documentation of events they observe. If you think you can do something about the issue, the first step may be to report the issue to a relevant government office, including your documentation of the events. Alternatively, if you are connected to a university or CSO, you may want to report it to your professor or a manager in the CSO.

Nonetheless, by speaking with people involved in the events, there is plenty of learning that can take place.

The learning objectives are: 1) observing more astutely than previously what is going on around you, 2) identifying and documenting events accurately and 3) taking action to report the misconduct and following through to its resolution, if possible.

Exercise

Investigating day-to-day ethical and integrity challenges

1. Be astute to your surroundings and observe in an unobtrusive way to identify ethical and integrity challenges.

2. When you see one of these challenges, try to interview the involved persons, asking regarding facts of the situation, their behaviour and response options, what they did, how they felt about it and whether they were satisfied with the outcome. You can use an Integrity Lens to guide your analysis

Interviewing victims of corruption or beneficiaries of another's integrity

Students and public officials can learn a lot from talking with victims of corruption or beneficiaries of another's integrity. By discussing a traumatic event with a victim, including how they felt and what could have prevented it, the learner usually has an emotional reaction, as well as a cognitive one.

The same is true in the converse situation, where someone has benefited from another's integrity – the return of money that fell out of someone's pocket, or returning a dropped 'number ticket' to someone who was waiting in line before you to be served through the public bureaucracy. Emotional learning is a very effective way to learn.

Exercise
Interview victims of corruption or beneficiaries of another's integrity

1. Conduct a personal interview with a victim of corruption. You may look among your parents' friends, relatives or colleagues, among business owners who may be faced with tempting unethical business offers and does his best to resist, a contractor who tries his best to work with integrity, but his supply chain companies do not necessarily work properly.

2. When you see one of these challenges, try to interview the involved persons, asking regarding facts of the situation, their behaviour and response options, what they did, how they felt about it and whether they were satisfied with the outcome. You can use an Integrity Lens to guide your analysis.

3. When you see a beneficiary of another's integrity, follow the same procedure and discuss with each other the impact of this event in the way you each respond to integrity.

Advocacy and media

If you can find a local CSO that works on issues of rights and entitlements, democracy, developing civil society and citizen engagement, you may be able to learn about their work in advocacy and using the media to help change laws or pressure government to be transparent and accountable to citizens.

Everyone has heard about lobbyists from private companies who pay bribes to politicians to get favourable regulations for their businesses. Public advocacy, however, is different in that it uses persuasion, evidence and public pressure to influence public decision making. Social media these days can be very useful as a tool for public advocacy, as is educating journalists about issues under

discussion that may be detrimental to good governance or planned regulations being developed for implementation that may have negative impacts on citizens.

Participating in an advocacy campaign can help people develop many interesting skills.[86] But carrying it out is not enough - you want to evaluate and assess the impact of your work as well.[87] This means learning how to define success indicators, and how to evaluate the impact on the targeted beneficiaries.

The learning objectives are: 1) understanding stakeholder interests and respective power dynamics; 2) knowing how to develop an advocacy strategy and campaign with all its components; and 3) implementing elements of an advocacy strategy.

Exercise
Learning about advocacy and media

1. Review the material about how to develop an advocacy strategy and campaign/plan.

2. Choose an issue around which to develop an advocacy strategy and plan, and develop them. This could be a small issue within the university or on-the-job - perhaps a change you want to implement to improve a procedure or a policy.

3. Implement your strategy and plan, and assess your success.

---

[86]www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide'*, Integrity Action. London 2014 ; pages 37-38
[87]www.integrityaction.org/community-integrity-building-cib-guide *'A practical guide to Community Integrity Building guide'*, Integrity Action. London 2014 ; pages 39-40

Conclusion

Learners - whether students, public officials, employees of businesses or NGOs/CSOs - should be familiar with the wide variety of tools and learning processes related to citizen engagement with government. The interest in getting actively involved in the development of one's 'world', is growing among students actively contributing in their schools, citizens getting involved in their community, public officials encouraging one another to work with integrity for the betterment of the country's development, and business leaders working to improve integrity and maintain high standards within the private sector. It may not yet be the majority of people in each of these sectors, as we have seen through the modules in this textbook that there are strong incentives and personal benefits for not behaving with integrity. However, those actively engaged are reaping benefits for their communities that previously didn't seem possible.

The more one learns about ways to hold governments accountable, and to demand that they operate competently and ethically, the more one understands that change is possible if people work collectively. It all starts with the individual. By improving what you can in your own environment, you become part of the solution, and not part of the problem.

The tools in this module offer many opportunities for bringing about change. We encourage you to join the multitudes who have decided to work for change, as seen by the many case studies from around the world. We encourage you to write your own case studies to share your successes - and failures - with friends and colleagues. We can all learn from one another by working together for a better future for everyone.

Section 3

Country-wide snapshots of corruption, the development of anti-corruption activities and integrity building

Corruption, anti-corruption and integrity in Armenia

Marat Atovmyan, Armenian Young Lawyers Association, Head of Yerevan Anti-Corruption Centre

Corruption in Armenia

Corruption is the abuse of entrusted power for private gain. Being of a subversive social nature, corruption has multitudinous manifestations of which are bribery - bribe-taking and bribe-giving, brokerage in arranging for bribery, extortion of a bribe, protectionism, malfeasance in office or abuse of ex officio connections, abuse or transgression of privileges inherent in a public position, official fraudulence, misappropriation and embezzlement of public property through abuse of a public office, as well as other cases of conflict of interest.

It is worth noting that by virtue of Resolution N 82 of 19 August 2008 of the Prosecutor General of the Republic of Armenia, the approved list of corruption-caused offences as laid down by the Criminal Code of the Republic of Armenia, notes 31 criminal offences as corruption crimes. However, not all corrupt practices are among the punishable offences. For instance, a hospital watch is not subject to criminal liability for letting in a visitor in defiance of the established regulations, for a thousand drams (USD2.5) at the prohibited time. In such cases the offenders should be made answerable as a disciplinary measure, which can furnish yet another way of fighting corruption.

Corrupt practices can be rife not only in the activities of public entities and those of local self-governance, but also be present in the work of private, non-governmental and international organisations. This is true for Armenia, as it is true for many other countries worldwide.

Corruption is viewed at several levels:

1. Corruption of the "Top circles/elite" (abuse of political or public power – often called grand corruption), which can be formulated as the abuse of the political power entrusted in politicians and top-ranking public officials who, while taking political decisions, resort to conflict of interest as motivated by their personal gain or private interest.

2. The "Lower strata" corruption (administrative corruption), which is typical of the middle-and lower-rank officials who engage in daily relationships with the citizenry.

3. The "International" corruption, which stands for the abuse of entrusted power by the representatives of international organisations during the tenure of office while discharging their official duties in pursuit of personal gain or private interest.

The international legal instruments on corruption stress the fact that corruption seriously jeopardises the supremacy of law, democracy, human rights, the

administration of justice, social justice, erodes the system of public administration, impartiality, public justice, vitiates competition, impedes economic development, endangers the sustainability of moral values of democratic institutions and the general public, and jeopardises the legal operation of the market economy.

Corruption countenances such vicious social phenomena as trafficking of humans, drugs, and arms; it favours the illicit transplantation of human organs, sanctions prostitution, begging; it further is conducive to the inculcation of discrimination in society, in particular, as regards violation of the principle of equal protection under the law and court, and that of immanent justice.

Corruption has a negative impact on the environmental situation in the country. Furthermore, it leads to the inefficient distribution and expenditure of public means and resources. Its impact includes: decrease in the rate of tax collection, drastic fall in the efficiency of the overall activity of the public administration system, bankruptcy among the small and medium-sized entrepreneurs, considerable growth of social inequality, consolidation of organised crime, weakening of the foundations of national security, collapse of public morals, curtailing of investments in the national economy, decline in the rate of economic development, a loss of trust and trustworthiness by the public in the legitimacy of political power.

Corruption inhibits the exercise of human rights, a fair trial, fair labour practices, quality education, property rights, health protection and others. In particular, in the field of education corruption poses a serious threat in terms of the low-quality of generations of professionals unqualified to actually carry out their professional duties. It is common knowledge that public officials lacking education and skills are not able to provide good governance; many are not even in a position to respect and observe human rights and freedoms.

Good governance always implies the rule of law, effectiveness of the activities of public authorities and those of local self-government, transparency and accountability, respect, observance, and protection of human rights and human dignity, as well as active involvement of the citizenry in the processes of decision-making. International organisations accentuate the importance of good governance and link it to democracy and human rights. It is no accident that Chapter 5 of the Millenium Declaration adopted by the UN on September 8, 2000, bears the title "Human Rights, Democracy and Good Governance".

Anti-corruption activities in Armenia

The prevention of corruption is one of the integrity principles. As *Integrity Action*, an international non-governmental organisation describes them, the elements of integrity are the alignment of accountability, competence, and ethics, without corruption (and with corruption controls).

This system of integrity is expressed through attitudes, values, knowledge, skills, and behaviour. Good Governance refers to appropriate and effective administration of activities by the public administration authorities and those of the local self-governments, with integrity and its elements permeating through all the activities of those who are considered to be governing well.

Combating corruption as well as introducing the principles of good governance and integrity into the state administration system constitute priorities for Armenia. In recent years the Armenian Government has been pursuing a clear-cut policy in this direction through a number of measures it has implemented. In particular, dozens of legal instruments have been enacted towards fighting corruption, new systems of anti-corruption activity have been introduced, such as the institution of the Civil Service, public procurement, new procedures regulating the activities related to the conduct of audits, declaration of property and income of government officials, licensing, the new system of state registration of legal persons, and a new notarial system. Special types of public service (police, military, customs, internal revenue and diplomatic) have also been required to institute new regulations.

The new legal instruments were intended to strengthen the oversight and enforcement of existing and new legislation, regulations, procedures and policies. For example, each year approximately 500 high level state officials present to the Commission on Ethics of High-Ranking Officials declarations about their and affiliated persons' property and income. The Commission publishes these declarations on the www.ethics.am website.

Over the past fifteen years the Armenian Government has officially recognised and declared the anti-corruption policy to be one of the priorities of its activities. In this area, through the adoption of strategically important documents, the government initiated reforms towards establishing its anti-corruption policy, streamlining its legislative foundations as well as introducing the institutional system of anti-corruption authorities.

However, Armenia still has not passed a distinct law on fighting corruption. Since 2001 anti-corruption concepts and strategies have been developed and adopted. For instance, on January 22, 2001 the Armenian Prime Minister adopted decision 44-N which established a Commission that coordinated all the work related to the anti-corruption programmes.

In 2001 several of the international organisations, such as the World Bank, approved the anti-corruption rationale developed by the Republic of Armenia Government. Within the framework of the funds appropriated by the World Bank, the anti-corruption strategy was elaborated and an action plan towards the implementation of the measures envisaged for the period of 2003-2007 was put into place. On November 6, 2003 the Armenian Government, by virtue of its Decree 1522-N, approved these documents.

The objective of this first anti-corruption strategy was to come up with clear-cut measures towards combating corruption, in order to eliminate the causes and conditions begetting and disseminating it, and create in the Republic of Armenia a sound moral and psychological environment. This would, in turn, firmly introduce and foster the activities of democratic institutions, civil society, and a law-based state, boost free economic competition and economic development and reduce the poverty rate. This document set forth the definition and causes of corruption, and established the ways to fight it. The programme developed a systemic approach that specified a number of priorities toward combating corruption. Particular importance was attached to the issue of extensive participation of the general public in the fight against corruption through enhancing the role of joint monitoring carried out by all sectors of society, such as governmental and non-governmental agencies and organisations. This raised awareness to the fact that combating corruption is a general challenge not only to the ruling power, but also to society at large. The programme focused on moulding the political culture, engaging the population, strengthening the independence of the judiciary system, eliminating exploitation in certain sectors of society, securing the proper application of the principle of general equality before the law and the principle of immanent justice in the Republic of Armenia.

During that four-year period more than fifty laws and by-laws towards prevention of corruption were enacted, basic structures of anti-corruption procedures were framed and the most significant international agreements on combating corruption were signed and ratified. Armenia had become a member of the globally renowned international organisations and countries dedicated to anti-corruption activities and international initiatives in the same area. For instance, in the Republic of Armenia, in order to guarantee the overall implementation of the anti-corruption policy, on June 1, 2004 by the Decree of the President of the Republic, the Anti-corruption Council ex officio headed by the Republic of Armenia Prime Minister was established and has been operating ever since. Within the framework of the Anti-corruption Council, a Committee on Monitoring the Implementation of Anti-corruption Strategy was established, and is headed by the aide to the Republic of Armenia President.

Although this first strategy was very important in itself, nonetheless it did not yield tangible results in terms of fighting corruption in Armenia. Hence, it became necessary to have in place a new strategy that would prove more effective than the previous course of reforms.

In terms of combating corruption, Armenia also has international obligations. For instance, in January 2004 Armenia became the member of the Group of States against Corruption (GRECO), while in June and December 2004 it respectively signed and ratified the Council of Europe Criminal Law Convention on Corruption and the Civil Law Convention on Corruption.

In 2005 Armenia signed the UN Convention against Corruption, which was ratified by the Republic of Armenia National Assembly on October 23, 2006 and became effective on November 11, 2006.

On October 8, 2009 the Republic of Armenia government, by its decision number 1272-N, adopted the anti-corruption strategy of the Republic of Armenai and the Plan of Measures toward its implementation for the period of 2009-2012. According to this document, the main objective and the expected end result of the anti-corruption strategy was established to be the substantial reduction of the overall corruption rate[1]. The specific expected results implied the elimination of the systemic nature of corruption, critical reduction of the spread of corruption, improvement of the quality of public services provided to the citizenry, enhancement of the perception of social justice, reinforcement of the sustainability of the political system and encouragement of the country's economic competitiveness.

In terms of preventing corruption, of critical importance is the preclusion against corruption risks in the normative legal acts. To this end the Republic of Armenia government by its Resolution 1205-N of October 22, 2009 adopted the procedures relevant to assessing the impact the regulations have on the draft legal acts. The assessment of similar impact is conducive to revealing the availability of corruption risks in the drafts of the normative legal acts, their removal or feasible minimisation.

The activities in this stage revealed more tangible results. For instance, as per *governance indicators* implemented by the World Bank Institute over the timeframe between 2009 and 2012, benchmarks have sustainably grown related to the *rule of law, free expression and accountability*. Although the *corruption monitoring* benchmark[2] decreased throughout 2009-2010, it, by contrast, grew considerably in 2012, having outstripped by three points the 2009 index.

For all that, the evaluation and analysis conducted during the implementation of this strategy furnished results that demonstrated that the plan had not been completely translated into practice. During the evaluation a number of drawbacks were revealed that had a negative impact on its efficacy. Notably, it turned out that while developing the plan they did not pay enough attention to the proper understanding of the problems relating to corruption, reasons behind corruption, as well as the ways they become apparent. Apart from that, under conditions of a shortage of required financial and other means, the areas encompassed by the plan were interpreted in an extremely broad and untargeted way. In some instances no proper identification was provided as to the scope of responsibility for a particular government agency, with no elaboration of responsibility incumbent upon agencies vested with the right of individual administration. Lastly, due to the sweeping range of the plan, while formulating challenges, no due regard was given to the direct interdependence between the indicators, measures and results. Furthermore, the strategic measures were not appropriately worked out and lacked the necessary degree of comprehensiveness and coherence.

---

[1] Determined through review of several indices: Transparency International's Corruption Perception Index, sociological research and other indices.

[2] See: info.worldbank.org/governance/wgi/index.aspx for further details of this indicator.

These and other similar problems inherent to the strategic plans in their aggregate, have eventually brought about a lack of confidence of society in the anti-corruption activities conducted by the government. Nonetheless, public support in fighting corruption is very important for success. It presupposes the maximum involvement of the representatives of society in the procedures related to the development and implementation of the anti-corruption policy, strengthening of the existing rapport between government agencies and civil society, as well as intensive encouragement of individual citizens' anti-corruption activities. This involvement and support was not forthcoming.

Taking into account the shortcomings and disadvantages of the previous plans, the Republic of Armenia government arrived at the conclusion that only law-abiding and upright government officials can instill the confidence of the people toward the public administration system. Only under this condition can it be possible to expect a positive shift in the attitude of the public toward matters like enhancement of the role of an individual in the anti-corruption drive, general involvement in the anti-corruption process, as well as the willingness to raise a public outcry over corrupt practices.

As a consequence, the Ministry of Justice radically changed its approach, and on April 10, 2014, in the wake of its session, the Republic of Armenia government, by virtue of its protocolary decision N 14, adopted the Concept "On Combating Corruption in the System of Public Administration". This edict is first and foremost aimed to reduce the rate and spread of corruption through the work of integrity-based and responsible officials, enhance public confidence in the activities conducted within the framework of the anti-corruption campaign, boost the participation of society in the implementation of anti-corruption measures, as well as apply more effective and workable measures towards preventing corruption.

At the same time, with due regard to past experience, as well as taking into account the available financial, human, and other resources in order to organise the anti-corruption activity in a more rational way, the above concept does not intend to include all the areas of public administration. It preferred to implement anti-corruption policy in specific areas, thus enabling the Republic of Armenia government to prioritise the targeted areas and in this way to implement the new anti-corruption policy.

Consequently, the anti-corruption policy is being carried out with due regard to the provision of general, branch-specific or functional priorities towards ensuring integrity in the area of public administration. The Government of the Republic of Armenia declared that the spheres of education, health, police (related to service provision to citizens) and tax revenue are priorities in the new anti-corruption strategy.

The provisions of the concept are supposed to be carried out by means of the strategic and branch-specific anti-corruption programme based on the prescribed policy. The strategy was worked out by the Ministry of Justice and presented for the approval of the Government.

The new anti-corruption policy was to be based on the prerequisite of facilitating the implemention of the following fundamental values: political will, prevalence of the public interest, integrity, transparency, rule of law, responsibility, assessment and management of corruption risks, commensurateness between the development and implementation of anti-corruption procedures, accountability at the top political level, prevention of corruption-caused offences, cooperation and coordination, and public-private partnership.

As per the concept, for present-day Armenia it is fairly relevant to establish a class of legitimate and scrupulous government officials. For instance, through the enactment of the 2002 Republic of Armenia law "On the Civil Service" Armenia embarked on the establishment of an efficient system of Civil Service. In the wake of this law were developed respective legislative acts to regulate the operation of separate branches of the Civil Service: Police, Inland Revenue, Customs, Diplomatic, National Security, Prosecutor's Office, Judiciary, Communities, etc. Also established, among other things, were ethical and behavioural rules, and procedures towards prevention of situations of conflict of interest.

By the Republic of Armenia law "On the Public Service", which was adopted in 2011 and put into force in 2012, an effort was made to summarise the procedures on the establishment and practical application of the ethical and behavioural rules for both public servants and high-ranking officials. An Ethics Commission for the high-ranking government officials was set up which is responsible to: apply restrictions in cases of a controversy between the ethical norms prescribed for the top government officials and conflicts of interest they are involved in; collect and make public the income and property declarations concerning those officials and the persons linked to them; disclose cases concerning violations of ethical norms and conflicts of interest.

The system in place to regulate the behaviour of the government officials, disclose the conflicts of interest, prevent violations, and disclose information on the assets and interests, was not implemented fully and accordingly does not operate effectively. First and foremost, the Commission is not supplied with necessary resources and facilities. On the other hand, the ethical rules established for the public servants and high-ranking government officials by the RA Law "On the Public Service" are insufficient and in terms of their wording do not conform with the ethical regulations for civil servants envisaged by the requirements of the Guidelines adopted by the Organisation of Economic Cooperation and Development. Besides, the aforesaid provisions are not really ethical rules but rather generalised and incomplete principles and guidelines.

The Ethics Commission of High-Ranking Officials has instigated only 4 proceedings during its 3 year operation (2012-2015) and made 8 decisions[3].

The effective regulations on what is related to the assets declaration by public servants is basically confined to the precept requiring public servants to furnish their income and property statements. Regulations on the interest declaration do not exist. The positions required to report are included based on the level of political decision-making power they have. In addition, in terms of emergence and constraining of corruption risks, there has been no assessment of government positions most conducive to the risks from the conflicts of interest and official malfeasance, which means the system does not take account of all the potential risk groups.

The available institutional resources are restricted to checking out the credibility of the submitted income and property statements, whereas the required methodology and procedures have not been developed as yet. The needed information is collected without being checked for trustworthiness and then collated with the relevant data or other components of conflicts of interest available in other sources. As a consequence of the said drawbacks, there is no adequate cooperaton with the law-enforcement authorities in terms of advising the police in case of apparent corrupt activities.

There still is a need, in terms of transparency and accessibility, to perfect the techniques as to the scope and quality of information to be furnished in the property and income declarations of the high-ranking government officials and persons related to them, and to be published later on.

In Armenia, the regulation of issues related to the conflicts of interest of civil servants active in different sectors of government and municipal service is not uniform. The wording does not identify the competent authority (or authorities) responsible for supervising the restrictions related to conflicts of interest or ethical matters, as well.

In order to minimise the corruption rate and to make integrity workable in the activities of the authorities managing the public administration and local government in Armenia, it is critical to establish an institutional system that empowers and incentivises civil servants and government officials to work with integrity. This can be partially accomplished by means of establishing a combination of compliance and integrity processes and tools. However, no matter how effective a tool or process is considered, it will only be as good as the people who implement it, enforce it, and live by it within their professional duties.

The concept sets forth clearly that in order to combat corruption effectively it is exceedingly important to provide for the involvement of civil society with the system of public administration. Accordingly, the role of civil society in the process of determining priorities, developing and applying policies, as well as assessing its results, must be elaborated.

[3]iravaban.net/en/81385.html

To achieve this it is necessary to establish a sustainable rapport with continuous dialog between civil society and government agencies and public institutions, and ensure the participation of the general public in integrity-based decision-making, implementing and monitoring of those decisions.

In this connection, we must note that in Armenia there are several nongovernmental organisations dedicated to effective collaboration with public administration and local government authorities. They also exercise, to a certain degree, supervision over the activities of these authorities. For example, the Armenian Young Lawyers Association, with the assistance of the Yerevan office of the Organisation for Security and Cooperation in Europe, has been monitoring the work of the notary offices for several years now, with the subsequent publication of a series of reports. However, participation of the citizenry in taking and implementing decisions is rather weak.

A crucial prerequisite to significant success in an anti-corruption drive is the introduction of an independent, responsible institutional system with a strong and clear mandate to ensure full and accurate implementation and enforcement of the anti-corruption policies.

Unfortunately, the authorities of Armenia have not yet demonstrated sufficient political will to establish strong, independent and professional anti-corruption institutions. For example, the Armenian Young Lawyers Association in 2014 prepared and provided to the Government an analysis of the international experience of the activities of anti-corruption bodies, suggestions for establishing a similar body in Armenia, an Analysis on "International Experience of the Criminalisation of Illicit Enrichment, and the Possibilities of Criminalising Illicit Enrichment in Armenia"[4]. The Armenian Young Lawyers Association, Anti-Corruption Coalition of the Civil Society Organisations[5], and other NGOs have been encouraging the Government to include these recommendations in their new anti-corruption strategic plan. Although slow at first, the Government and civil society organisations did sign a joint statement on 23 September 2015, which established the anti-corruption platform between government and civil society. It established working groups for professional discussions regarding the future of anti-corruption institutions.

The Government of Republic of Armenia by its 19.02.2015 N 165-N decision established the Council on Combating Corruption and Expert Group. This Council is responsible for coordinating the anti-corruption reforms and monitoring the implementation thereof. The Council is headed by the Republic of Armenia Prime Minister, and is composed of the Minister who heads the Republic of Armenia government administration, Republic of Armenia Minister of Finance, Republic of Armenia Minister of Justice, Republic of Armenia Prosecutor General, Head of the Commission on Ethics of High-Ranking Officials, a representative from each of the parliamentary opposition factions, Head of the Public Council, one representative from the Union of Communities, and two representatives from civil society.

The expert group is made up of independent experts. The committee experts have been selected on a competitive basis. The selection and dismissal of the experts is the prerogative of the Council. While performing its functions, the committee is independent, being accountable only to the Council. It shall be incumbent upon the Government Administration to provide the material, technical, and organisational support of the activities of the committee, through a structural unit within the administration, whose powers will be established in the respective legislative acts.

The group will exercise the following significant functions:

1. Assist in developing strategic and sectoral programmes;

2. Carry out the monitoring, evaluation, summarising of programmes, provide accounts on the implementation of programmes;

3. Prepare financial accounts, reports on the state of implementation, and make propositions to the Council;

4. Provide for the exploration of the manifestations of and reasons for corruption;

5. Develop guidelines and submit them to the Council for approval and provide methodological and other assistance to the relevant authorities;

6. Contribute to the expansion and dissemination of knowledge on preventing corruption among society;

7. Provide for the cooperation of the Council with the regional and international organisations committed to anti-corruption activities.

The initiative of the Government on the establishment of the above-mentioned anti-corruption institutions has been criticised by CSOs, political parties and experts.

The Anti-Corruption Coalition of the Civil Society Organisations at 16 March, 2015, adopted the following statement: "Concerned that the Anti-Corruption Council newly-established by the Republic of Armenia Government is not in compliance with international anti-corruption standards, ...Considering the CSO-Government dialogue as a precondition for the effectiveness of the Anti-Corruption struggle, The Anti-Corruption Coalition of the Civil Society Organisations decides: To refrain from nominating candidates of Coalition member CSOs and from taking part in the competition for the involvement in the Anti-Corruption Council, to continue its active role in the Anti-Corruption struggle, in particular carrying out independent and professional monitoring of the activities of the newly-established Anti-Corruption Council, simultaneously, to promote the dialogue with the Government towards establishing an independent, effective, participatory and professional Anti-Corruption Body and criminalising illicit enrichment through establishing a CSO-Government expert working group".[6]

---

[4] iravaban.net/en/?eu-project=corruption-en-documentation
[5] The Coalition was established at 28Nov2014 and consists of more than 70 CSOs.
[6] iravaban.net/en/80921.html

The Public Network for Cooperation with State Authorities which consists of approximately 150 CSOs has circulated the following statement: "...The Public Network for Cooperation with State Authorities Decides:

1. To join the 16 March 2015 Statement of the Anti-Corruption Coalition of the Civil Society Organisations;

2. To support the initiative of the Anti-Corruption Network to develop the expert working group of Civil Society and Government on the formation of an independent, effective, and participatory Anti-Corruption Body and criminalisation of illicit enrichment;

3. To abstain in the current phase from participating in the naming of or nominating candidates from the coalition member organisations for participation in the competition for inclusion in the Anti-Corruption Council.

4. To develop legal bases for cooperation and an action plan with the Anti-Corruption Coalition of the Civil Society Organisations pursuant to the 2012-2016 Strategy of the Public Network;

5. To promote the strategic objectives for the formation of functions of participatory public governance bodies aimed at the improvement of the existing mechanisms for open, transparent, competitive procedures and defining realistic criteria for the selection of specialised, representative organisations".[7]

Moreover from five parliamentary opposition political parties only one agreed to be a member of the Anti-Corruption Council and four parties refused to join it, because they distrust the Government.

Unfortunately, a Council framed in such a format cannot conduct efficient anti-corruption work, because it is not independent, not sufficiently professional and is not trusted by the main part of society to implement the needed activities in the fight against corruption. The international experience bears out that in order to carry out functions of this kind, different countries have established independent specialised anticorruption entities comprised of a number of subdivisions, and numbering dozens or hundreds of employees.

The Republic of Armenia (RA) has numerous government agencies which, while exercising their functions and competences, promote the prevention of corruption. Among such entities are the Ethics Commission for High-Ranking Officials, the Ethics Commission of the National Assembly of the RA, the RA Ethics Commission for the Chamber of Presiding Judges of Courts, the RA Chamber of Accounts, the RA Commission on Protection of Economic Competition, the Civil Service Council, Central Election Commission, etc.

Within the Republic of Armenia government administration, an Anti-corruption Programmes Monitoring Department was formed. This department provides for the implementation of organisational and technical activities of the Council on Combating Corruption; conducts the monitoring of

the accounts on the Republic of Armenia anti-corruption strategy and the programme relating to its implementation measures, as well as of the reports on the fulfillment of assumed obligations by international agreements; carries out professional expertise within the scope of its activities, on draft legal acts and individual issues submitted to the Republic of Armenia government or Republic of Armenia Prime Minister for consideration or deliberation prior to that; provides resolutions on the draft legal acts concerning the development of a particular area and improvement of its operational efficiency; prepares information materials and references relevant to the areas of its activities; summarises and analyses information furnished by the authorities of public and local administration and submits to the ministerial head of the Republic of Armenia government administration; supervises the course of implementation of the issues relevant to the areas of its activities within the framework of Republic of Armenia Annual Activities and Priority Measures Programme; develops draft legal acts; ensures, in a prescribed manner, updating of information contained in the respective section of the website www.gov.am.

Moreover, in 2011 within the framework of the Republic of Armenia government administration, a National Center of Legislative Regulation was established. The aim of the Center is to significantly reduce the regulations burden on businesses and citizens. The organisation describes the relations of the state with the citizens and businesses, compares with the best practices in the world, prepares a package of proposals with corresponding regulatory government bodies to reduce the regulatory burden, discusses it with the businesses and NGOs and presents it for the approval of the Reform Council. During project implementation, at least 30 percent of current regulations were discontinued, and up to 20-30 percent of regulations have been significantly simplified, as a result of which the financial burden on businesses and citizens has been considerably reduced.

In Armenia, the following law enforcement agencies dealing with corruption crimes are: Prosecutor's office, Police, National Security Service, Special Investigative Service, Investigators' Committee, and Ministry of Finance. In the Republic of Armenia there is no effective system for making officials accountable for corruption-caused offences. In particular, few efforts have been made towards introduction of clear-cut criteria on the imposition of disciplinary or administrative measures. In spite of the fact that the Republic of Armenia Criminal Code establishes over a dozen corruption-caused offences, this, however, does not entirely meet all of Armenia's liabilities and scope on fighting corruption as prescribed by international agreements.

Some corruption-caused offences have not been criminalised as yet, notably regarding illicit enrichment, while in some cases the proof of guilt still contains sporadic and complicated components, which precludes providing a uniform and adequate assessment of one or another act or culpable failure as having a criminal character. Besides that, taking account of the immediate threat and extent of danger which a corruption-caused wrongdoing poses to the state,

and more particularly, its economic sector, it is safe to say that the punitive measures in force are not always objectively in keeping with the concept of an unlawful act and legal implications subsequently arising as prescribed by the law. Unfortunately, the rate and productivity of investigations of the corruption–related wrongdoings are still low. There are no workable means of leverage in place for disciplinary or administrative liabilities intended for public officials. Of all the agencies, the Republic of Armenia Special Service of Investigations justifiably behaves according to international norms on independence, as in similar international bodies.

As regards the activities of the public prosecution bodies in this field, it must be noted that the Republic of Armenia Public Prosecutor`s Office has a specialised unit within its framework designated as the Department on Investigating Corruption-Caused and Organised Crimes. The lawfulness of the preliminary criminal investigations of the corruption-caused offences is monitored and pleaded in court in the capacity of defence attorneys not only by prosecutors of this department, but also by different prosecutors from the RA prosecution system.

For the time being the cooperation between law-enforcement authorities and the population is not at a satisfactory level, which primarily is due to the low level of public trust in the anti-corruption authorities. The Public therefore does not provide much information on corrupt practices to law-enforcement authorities, because they feel it is futile. At present in Armenia there are no official avenues for people to report corruption cases (whistleblowers). Missing are satisfactory and coherent legal arrangements towards regulation of this activity. State efforts to boost public awareness of and intolerance to the offences caused by corrupt practices are also very weak.

In order to settle the aforementioned issues, according to the Armenian government, one has to initiate a number of successive and consistent measures: 1) to introduce a workable system to hold public employees accountable for committing corruption-caused offences and consecutively implement disciplinary, administrative, and criminal measures of restraint; 2) test procedures that enhance the performance of the investigation of corruption-caused offences; and 3) undertake active measures toward enhancing and reinforcing the trust of the general public in the anti-corruption authorities.

It is this author's opinion that restoration of public confidence in anti-corruption authorities will largely depend upon aggressive measures by the law enforcement and judicial authorities toward detecting corrupt practices and punishing the offenders by law. Over recent years in Armenia, some officials have been indicted for committing corruption-based crimes. They include the head of the Republic of Armenia Criminal Investigation Department, head of the Traffic Police and a number of employees and head of the Social Security Service along with scores of employees of the system.

Integrity in Armenia

A focal component ensuring the efficiency of anti-corruption activities is the advocacy among society for resources and procedures to be applied toward the fight against corruption. The latter is also tightly linked with the systemic and permanent training of civil servants responsible at all levels, as well as other interested parties. Nevertheless in this area, no significant measures on the governmental level have been taken to involve civil society in anti-corruption activities. This function of the state is only partially being implemented by non-governmental organisations. For instance, the Armenian Young Lawyers Association (AYLA) has launched numerous anti-corruption public campaigns, advocacy workshops in Yerevan and throughout the regions, and has established an integrity and anti-corruption training course for public and municipal officials - jointly developed with relevant public authorities.

In addition, within the framework of a joint programme implemented by the international NGO "Integrity Action" and the law firm "Legal Alliance", scores of students from different universities have been trained on issues relating to integrity. They received practical training while visiting and discussing issues with state, private, and international organisations, thus being given the opportunity to assess how much importance these organisations attach to integrity in their work. In addition, academics were trained by Integrity Action in teaching integrity education, with an integrity approach that is values-based, adjusts for the lack of implementation of legislation and regulations, uses alternative conflict resolution techniques, focuses on problem-solving, and uses discretion in decision-making that supports integrity. Integrity Action also organised a number of trainings on integrity and anti-corruption for the representatives of over 50 higher education institutions of Armenia.

Armenia is also involved in the programme "Istanbul Anti-corruption Activities Plan" which is an anti-corruption network of Eastern Europe and Central Asia within the framework of the Organisation of Economic Cooperation and Development. It is designed to improve anti-corruption policies of the above countries, drawing upon suggestions developed by international experts.

The Government of Armenia is committed to the processes of the European Neighborhood Policy and Eastern Partnership. Within the confines of this partnership, the EU and Armenia have ratified action plans in which combating corruption is identified as a priority area.

The Republic of Armenia is involved in several other international forums for anti-corruption reforms. The general direction going forward is to implement an Open Government approach, alongside growing civil society engagement at the national and international levels.

Case Study - Where is the Justice?

Gayane Ghukasyan Scientific and Educational Centre of National Development Trainer Head of Yerevan Anti-Corruption Centre

Characters:

1) Gayane - government agency employee

2) Lawyer - Gayane's relative

3) Gayane's husband

4) Head of Anti-corruption centre

5) Mayor of town of Vanadzor

Gayane, aged 27, is a refugee who works for a government agency. She takes care of a 2-year-old child and is married to a veteran of the Karabakh war. Her husband is a 2nd degree[8] invalid. Over recent years the price indicators on real estate in Vanadzor have grown by more than ten times. In contrast to 2001 when the price for a one-roomed flat was USD2000, in 2008 the same one-roomed flat cost USD22,000.

In 1993 after Gayane married, she put in an application with the town council of Vandzor to be allocated housing, and so was included on the waiting list of those entitled to a dwelling. It seemed possible mainly owing to her affiliation with the government agency, as well as her husband's privileges due to his disability.

Between 1993 and 2008 she repeatedly applied with a request to provide her family with a flat. However, these applications were still disregarded because of the neglect by the personnel of the city council. So Gayane's complaint remained unexamined due to negligence by the town council and, notably, the administration. This situation represents a serious violation of law.

Eventually Gayane met with the mayor personally. Among other responsible officials at this meeting were the municipal architect and lawyer, who simultaneously acted as managers for the specialised housing stock. The lawyer was related to Gayane.

The mayor replied that the municipal housing stock just did not provide opportunities any more, and, in the meantime, the waiting list was crammed with other applicants.

Afterwards the municipal lawyer who, as mentioned above, acted as manager of the specialised housing committee and who was in charge of records, in return for his services, asked her to pay him USD2,000. Then he explained to Gayane that the money was intended for the top - i.e., important - people, and that this was a fixed rate for all those who wished to take possession of their flat immediately.

Having instructed Gayane not to tell anybody about their kinship, he added that he would do his best to have the housing committee pass a favorable decision, possibly soon.

To settle this very important matter Gayane ran up against a much more unpleasant situation she could not figure out.

On the one hand, compared with the existing market prices for housing, the amount she was quoted was really negligible. On the other hand, however, as a law-abiding citizen and government official she would rather not be involved in this corrupt transaction.

More than that, she thought if she applied to the Anti-corruption centre she would be fired from the municipal committee, which is known for its dishonesty. By reporting this she would help others, but what could she do about her relative? She needed to answer that question, and fast, before he demanded her response.

Assignment

1. Use an 'integrity lens' to analyse all the stakeholders and their interests and actions using the four elements of INTEGRITY: Accountability, Competence, Ethics, without corruption (and with corruption controls).

2. Develop short-term and long-term action plans (including activities, responsible implementers, training for staff regarding the plan, etc) with compliance AND integrity measures for preventing the ethical and integrity problems demonstrated in this case.

Additional Recommended Teacher's Questions

1. What laws have been evaded in this case?

2. How should Gayane resolve this situation?

3. What steps should she take?

4. What principles of integrity have been violated in this case?

5. Is it possible to be totally honest throughout the entire story? If yes, then how would you act?

[8] This is a mid-level invalid.

Bibliography

1. Rose-Ackerman, Susan. Corruption and the State: Reasons, Aftermath, and Improvement, Yerevan, 2004.

2. Tsaghikyan S., Reasons and Implications of Corruption, Yerevan, 2002.

3. Hans-Otto Sano, Gudmundur Alfredsson, Robin Clapp Human Rights and Good Governance: building bridges, Martinus Nijhoff, 2002.

4. Integrating Human Rights in the Anti-Corruption Agenda: Challenges, Possibilities and Opportunities. International Council on Human Rights Policy, 2010.

5. Corruption and Human Rights: Making the Connection. International Council on Human Rights Policy, 2009.

6. Warren K.F. Administrative Law in the Political System, West Publishing Company, N.Y. 1988.

7. Pierce R.J., Shapiro S.A., Verkuil P.R. Administrative Law and Process, The Foundation Press, N.Y. 1985.

8. Коррупция и антикоррупционная политика. Словарь-справочник, М., 2008.

9. Максимов С.В. Основы борьбы с коррупцией (системы общегосударственной этики поведения), 1999.

10. Сеймур Мартин Липсет и Габриэль Салман Ленц - Коррупция, культура и рынки в «Культура имеет значение», Москва, 2002.

11. Коррупция и борьба с ней: роль законодательства, под ред М.Б. Горного Норма, 2000.

12. Коррупция и борьба с ней: роль гражданского общества, под ред М.Б. Горного Норма, 2000.

13. Волженкин Б. В. Коррупция. СПб., 1998.

14. Тимофеев Л. Институциональная коррупция. М., 2000.

15. Гаухман Л. Коррупция и коррупционное преступление // Законность. 2000. № 6.

16. Турчинов А. И., Соколов В. М., ред., Гражданская служба: нравственные основы, профессиональная этика, Статут, 2006г.

17. Волженкин Б. В. Служебные преступления. М., 2000.

18. Густов Г. А. Расследование должностных хищений в торговле. Ч. 1. Криминалистическая характеристика преступлений. Л., 1991.

19. Дулов А. В. Основы расследования преступлений, совершенных должностными лицами. Минск, 1985.

20. Кибальник А. Г. Иммунитеты в уголовном праве. Ставрополь, 1999.

21. Ладатко Л.В. Этика и культура управления, "Феникс", 2006.

22. Оболонский А. В. Мораль и право в политике и управлении, ГУ ВШЭ, 2007.

23. Рой Олег М. Система государственного и муниципального управления, Питер, 2007.

24. Анисимов О.С. Стратегическое управление и государственное мышление. - М.: ИПК Госслужбы, 2006.

25. Ионова А.И. Этика и культура государственного управления, РАГС, 2007.

26. Василенко И. Административно-государственное управление в странах Запада: США, Великобритания, Франция, Германия, Гумер, 2000.

27. Захаров Н. И. Мотивационное управление в социально-экономических системах/РАГС при Президенте РФ. - М. : Изд- во РАГС, 2000.

Historical view of corruption, anti-corruption activities and integrity-building activities in Georgia

David Matsaberidze, Department of International Relations, Iv.Javakishvili Tbilisi State University

Introduction

Georgia had been counted as one of the most corrupt countries of the world up until 2003,[1] when the Rose Revolution, led by young reformist-minded politicians, gradually succeeded in eroding corruption in all main fields of social life. Notwithstanding a great deal of previous efforts to combat corruption, until 2003 it remained a mass and systemic phenomenon in the country, quite often termed either as the Soviet legacy or imprint of patrimonial relationships. Although, since 2003, institutional and capacity building reforms resulted in the significant reduction of corruption in most of the civil service agencies, and Georgia's standing in different world indices, which rate the level of corruption world-wide, improved significantly.[2] Nevertheless, various local and international reports have been pointing to the cases of re-appearance of the so-called elitist corruption in the post-Rose Revolution era and aftermath of the 2012 parliamentary and presidential elections. This chapter will highlight the key corruption spheres and problems of the country and uncover those efforts which were successful in combating corruption in different fields. To this end, it will address various international and country reports, as well as policy-briefs of international think-tanks. The second part of the chapter will rate Georgia's latest standing according to the criteria of the National Integrity System (NIS), thus highlighting the main success and failures of the country in anti-corruption activities. The third part of the study will explore main integrity activities undertaken with the aim to combat corruption, with a short case study on integrity-related issues in the local context as a student exercise.

After the Rose Revolution of 2003, the Georgian approach centred on state building, modernisation and market liberalisation. Rather than gradually eliminating corruption from the system, the Georgian strategy preferred a radical and sweeping attempt to rebuild the state from scratch and to combat corruption in all state structures. The new government attacked corruption decisively, and occasionally ruthlessly, across many fronts simultaneously, starting from the civil service, through law enforcement agencies, to the education and procurement services. To this end, between May and July 2005, the comprehensive, *"National Anti-Corruption Strategy of Georgia"* was prepared by a working group led by the National Security Council (NSC) and adopted by Decree N°550 of the President of Georgia of 24 June 2005. In addition, the *"Action Plan for the Anti-corruption Strategy (2005-2006)"* was drafted by a working group led by Kakha Bendoukidze, State Minister for Reforms Coordination at that time, and adopted by Decree N°377 of the Government of Georgia of 12 September 2005. This was approved by Decree N°155 of the President of Georgia of 28 March 2006. These initial steps were accompanied by institutionalisation of anti-corruption activities. In early October 2007, the President of Georgia, Mikheil Saakashvili,[3] publicly announced the establishment of a *Special Anti-Corruption Commission*, which would report to him and to the Speaker of the Parliament. The creation of such a structure was confirmed by the State Minister on Reforms Coordination, Mr. Kakha Bendoukidze. The local drive towards eradication of corruption was assisted by the major international organisations. The support and monitoring related to this entity came from the Council of Europe (CoE) within the framework of Support to the Anti-Corruption Strategy of Georgia (GEPAC), CoE project No. 2007/DG1/VC/779, launched in October 2007.

Apart from various accusations on maintenance of the elitist corruption during the above-mentioned period, it should be mentioned that anti-corruption efforts have largely relied on personalities at the expense of robust institutionalisation of reforms. What are the major problems henceforth? Mainly that of depoliticising the civil service and laying the stronger foundation for the development of a professional cohort of civil servants, whose careers are not directly dependent on the arbitrary powers of their superiors; this should come as one of the most efficient tools for curbing corruption in a historical perspective and should therefore be supported.[4] The main gap of the post-Rose Revolution era is the failure to transform the judiciary as the transparent and trusted institution of the country. According to the global corruption barometer in 2013, Georgia was counted as having a problem with the Judiciary.[5] Thus, in-spite of some noteworthy success of the post-Rose Revolution era, one of the main pillars of the NIS remains as one of the most problematic spheres in Georgia.

A). Brief History of Corruption of the Post-Soviet Era

As any other post-Soviet state, since the dissolution of the Soviet Union, Georgia was counted as one of the most corrupt countries of the world, with practices of bribery and patrimonial relationships. At that time, bribery was widespread; even public institutions entrusted to protect people suffered the worst levels of bribery. Government(s) did not do enough to hold the corrupt to account. Personal connections were decisive in corrupting the public administration. Powerful groups rather than the public good were judged to be driving government actions. Although people were aware of the mass-corruption around them, they did not mobilise to change the status-quo until late 2003.

---

[1] Corruption Perceptions Index 2003. archive.transparency.org/policy_research/surveys_indices/cpi/2003

[2] Ibid.

[3] President of Georgia for two consecutive terms between 2004 and 2013.

[4] Engvall, J. (2012). *Against the Grain: How Georgia Fought Corruption and What It Means*, in Central Asia-Caucasus Institute & Silk Road Studies Program - A Joint Transatlantic Research and Policy Center, p. 11.

[5] Global Corruption Barometer - 2013, Transparency International, 2013.

In the midst of Eduard Shevardnadze's presidency (1995-2003), the World Bank noted "in Georgia the price of obtaining 'high rent' positions is well known among public officials and the general public, suggesting that corruption is deeply institutionalised. Higher prices are paid for jobs in agencies and activities that households and enterprises report to be the most corrupt, suggesting that corrupt officials rationally 'invest' when buying their public office."[6] The price for a job in the police is said to have been ranging from $2,000-$20,000, depending on the profitability of the position for sale. Prospective customs officers could pay up to $10,000 to get their jobs, while officials in the civil registry offices invested $5,000-$25,000 to get appointed. In the universities, bribes ranged from $8,000 to $30,000 depending on the prestige of the programme.[7] An international investigation documented that "the police, the customs and the courts, those very agencies responsible for fighting corruption, are most widely affected by it".[8] These facts demonstrate that by 2004, when the Rose Revolution came as a sign of departure from the "old Soviet mentality," as argued by Saakashvili, there was an urgent need to hold the corrupt to account, clean-up democratic processes and give people the tools and protections to fight against corruption.

At that time Georgia faced some systemic problems as well, which could not be dealt with by Shevardnadze's government. Related to the problem of corruption, this was mainly the issue of low tax collection. As a result, the Georgian government failed to implement the state budget from 1998 to 2004. An incoherent and complicated tax system contributed to the failure. A high social insurance tax prompted employers to pay salaries illegally; the income tax had a confiscatory character, leading people to hide their real income. Since the tax code was adopted in 1997 it has had thousands of amendments. As a result of an underfunded budget, the government was unable to provide basic social services: "...pensions and social benefits were not paid; basic utilities like water and electricity were unreliable at best; healthcare quality was poor and even basic care was not provided by the state; and basic infrastructure like roads and irrigation were either poorly repaired or destroyed entirely."[9] All of the above-mentioned spheres, as well as state ministries and agencies, directly responsible for their improvement, were stuck in the corruption themselves. In addition, the main high-ranking officials or extended family members of Shevardnadze were accused of using corrupt alliances during their business activities, as well as blamed for preferential treatment from the side of government agencies, mainly due to their close ties with the president of the country at the time - Eduard Shevardnadze.

The new government of Georgia decided to punish former high-ranking officials or close allies of the former president due to their previous illegal and corrupt activities under Shevardnadze's government. The Rose Revolution government blamed the previous one for inefficiency of public structures and pointed to the high level of corruption, first and foremost in government agencies. Consequently, in February 2004, Gia Dzhokhtaberidze, former President Shevardnadze's son-in-law and head of Georgia's biggest mobile phone company, was arrested on tax evasion charges. He was released in

---

[6]Kaufmann, D. Pradhan, S. and Ryterman, R. (1998). "New Frontiers in Diagnosing and Combating Corruption," PREMnotes 7, The World Bank, October

[7]*Fighting Corruption in Public Services - Chronicling Georgia's Reforms*. The World Bank, Washington, 2012, p. 76.

[8]Karklins, R. (2005). *The System Made Me Do It: Corruption in Post-Communist Societies*, New York: M.E. Sharpe, p. 30.

[9]*Georgia Human Development Report 2008: The Reforms and Beyond* (Tbilisi: UNDP, 2008), p. 10.

April after paying $15.5 million to the state in an extra-legal bargaining process for his freedom. Throughout the year the police struck against well-known corrupt individuals. Among those arrested were the former Minister of Energy and of Transport and Communication, the Chairman of the Chamber of Control, the Head of the Civil Aviation Administration, the chief of the state-owned railway company, the president of the Georgian Football Federation, the president of the state-owned gold mining company, and some oligarchs. Correspondingly, the high-profile former officials from Shevardnadze's government re-paid a huge sum back to the state, allegedly gained either as a result of corrupt alliances that significantly diverted funds away from the state coffers, or directly stolen from the state budget by various machinations. Among them were the former Minister of Energy (accused of misappropriating $6 million while in public office), the Chief of Georgian Railways, and the former president of the Georgian Football Association, Merab Zhordania, and many others. The latter was released after he paid $400,000 (GEL 750,000) to the state budget. Extra-legal means were frequently practiced in these sanctions. All in all, one year after the implementation of the anti-corruption law, $30 million had been retrieved from the former high-ranking officials for the good of the Georgian State.

B). The main anti-corruption activities since 2003

In February 2005, the Parliament passed an anti-mafia law, which allowed prosecuting and convicting persons for the crime of being members of mafia groups. The law was inspired by the American RICO (Racketeer Influenced and Corrupt Organizations) Act as well as Italian anti-mafia legislation. As a result of the law, it became possible to criminalise affiliation with organised crime groups. The law also allowed for plea bargaining and large-scale confiscation of property acquired through corrupt or criminal deals, and strengthened the protection for witnesses in crime-related cases.[10] As a sort of anti-corruption measure, government officials received salary rises made possible by the establishment of Georgia's Development and Reform Fund, resources donated by Hungarian-born tycoon, George Soros and the Open Society Institute (OSI), the Swedish International Development Agency (SIDA) and the United Nations Development Programme (UNDP).[11] Through establishing the non-corrupt Cabinet of Ministries, most of them educated at European and U.S. universities, the Rose Revolution government started to implement a package of reforms, famously known as the measures to modernise Georgia or as measures to overcome the post-Soviet state-of-being.

Police reform was a major priority. In July 2004, the notoriously corrupt traffic police was entirely disbanded, and 16,000 officers dismissed overnight. In August, a new 2,400-strong Police patrol, inspired by the U.S. model, was rolled onto the streets with higher salaries, a new recruitment system, new equipment and a new code of ethics. This was followed by a new law "On Structure, Authority, and Regulation of the Government of Georgia" (February 2004). The law reduced the number

of ministries from 18 to 15. Amendments to the law in June and December that year further reduced the number of ministries to 13. A special Civil Service Bureau was also created to implement reforms in the civil service. In June 2004, the parliament approved the law on State Registry, which dissolved the public service registry and replaced it with the Civil Registry Agency, a self-funding body under the Ministry of Justice. At the end of 2004, all 2,200 public registry employees were dismissed in a single day. In December 2005, a new organic law on local self-government was adopted, which consolidated local self-governments from 1,110 to 67. In October 2004, the first municipal elections of mayors took place based on the new structure of local government. Throughout that year, single-window systems in the Ministry of Justice, property registry and other public institutions were introduced to improve public service efficiency and eliminate corruption. The state apparatus was subject to another major overhaul as all 18 independent state departments were abolished or subsumed under ministries. According to the Civil Service Bureau the total number of public officials had been cut in half, down from 120,000 in 2003, and official remuneration for civil servants had increased 15-fold.[12]

In December 2008, a new law on the Chamber of Control was adopted in an attempt to transform this agency, with a highly corrupt history, into a more modernised supreme audit institution. In March 2009, significant amendments were made to the Law on Conflict of Interest and Corruption in Public Service. In June 2009, the Law on Public Service originally adopted in 1997, was amended with a new Chapter on a general Code of Ethics for civil servants. As a result of the amendments, the Information Bureau on Assets and Finances of Public Officials under the Ministry of Justice of Georgia was abolished and its functions delegated to the Civil Service Bureau. In 2010, several fine-tuning arrangements were launched, including the Online Asset Declaration System set up by the Civil Service Bureau in order to completely replace the paper declaration system; the adoption of a law on internal audit and inspection; and the introduction of passports that include biometric data, photos, fingerprints, and digital signatures. In 2011, a number of additional innovations were rolled out: An electronic procurement system was launched; passports were automatically linked to a new kind of identification card; and legislation was passed that makes it mandatory for medical establishments to send messages about births and deaths electronically to the Civil Registry Agency. Moreover, the first four public service halls were opened in the country (Batumi, Kutaisi, Mestia and Rustavi). These public service halls allow the unification of services of different state agencies - such as the Civil Registry Agency, National Agency of Public Registry, National Archives of Georgia, National Bureau of Enforcement, Notary Chamber of Georgia and Statute Book of Georgia - under a single roof. Through these reforms, the main areas, where citizens of Georgia previously experienced direct interaction with corruption, were cleared up and the new electronic systems, decreasing personal contacts between citizens and officials, were introduced.

---

[10]Engvall, J. (2012). *op.cit*.

[11]Dadalauri, N. (2007). Political *Corruption in Georgia, in Corruption and Development The Anti-Corruption Campaigns*; Edited by Sarah Bracking, University of Manchester, UK, with a Foreword by Deryck R. Brown, Commonwealth Secretariat, UK, p. 159.

[12]Engvall, J. (2012). *op.cit*.

In order to combat corruption in the sphere of education, the Law on Higher Education (late 2004) was adopted, overhauling management, financing and accreditation procedures in the universities, and in April 2005, the Law on General Education came into force. The most important and lauded initiative was a new university entrance examination system (initiated and implemented by the Ministry of Education in June 2005) aimed at curbing corruption in the academic admissions process. A brand new independent National Examination Centre was established to administer exams for all higher education establishments, thus removing this power from the universities. According to UNDP, the examination process is both transparent and meritocratic. Both student placement and funding are allocated entirely on performance in this exam. From 2006, all university applicants' exam sheets are scanned and posted on the National Examination Centre's website. This was a huge success in the significant reduction of corruption in the country, as from the Soviet era, education was counted as one of the most corrupt spheres of society.

This brief snapshot of the main lines of combating corruption demonstrates that the Rose Revolution government of Georgia tried to eradicate corruption in all the main fields of social life at one time, so that the population could really feel the positive results of fighting against corruption on the one hand, and living in an environment relatively free from corruption on the other hand.

C). The introduction of integrity activities - including compliance - into the country as an approach to reducing corruption

As it was mentioned above, the anti-corruption efforts included a wide range of measures such as the prosecution of several high-ranking officials, the reform of the police force, deregulation and simplification of procedures including registering property, licensing businesses and tax and customs administration, etc.[13] Although, commenting on this period, some consider that "corruption patterns evolved from rampant petty bribery to more clientelistic forms of corruption".[14] The Rose Revolution government initiated and implemented some ground-breaking activities in various directions; thus, the main public anti-corruption initiatives of the Rose Revolution government were undertaken into the following spheres:

1. Legislation: Georgian legislation was brought in compliance with the United Nations Convention against Corruption (UNCAC). Georgia also ratified the Council of Europe Civil and Criminal Law Conventions on Corruption. The government worked to further harmonise its legislation with the provisions of UNCAC. Georgia's Criminal Code criminalises attempted corruption, active and passive bribery, bribing a foreign official and money laundering and strictly punishes convicted offenders (Articles 332-342 of

the Criminal Code). Georgia is among the first countries to introduce personal criminal liability for a number of offences, including corruption, even if acting on behalf of a corporate entity, as reported in the U.S. Department of State 2013. Parliament passed a package of constitutional amendments criminalising the abuse of public office and passive bribery with a maximum sentence of 15 years and confiscation of property. Penalties for active bribery include a fine and/or a minimum prison sentence of two years. In aggravated circumstances, when a bribe is given to commit an illegal act, the penalty ranges from four to seven years imprisonment. One of Georgia's guiding anti-corruption laws has been the *Law of Georgia on the Conflict of Interests and Corruption in Public Service*, which was incorporated into the 2005 National Anti-Corruption Strategy. The law prohibits corruption among public servants and requires the disclosure of assets by public officials and their families in order to ensure transparency; while asset declarations of law enforcement officials are accessible to the public via the Public Service Bureau's website. In order to prevent conflict of interest, the law also prohibits public servants from involvement in private business. The 2011 amendments to the *Law on Licenses and Permits* contributed to a more transparent process of registering property in Georgia, and the simplified taxation regime for SMEs resulted in a more favourable business climate, according to the 2012 report by the European Commission.[15] The main feature of the new tax code (in Georgian) is the creation of a tax ombudsman, who will handle complaints of businesses regarding violations of the tax law. Georgia's legal framework includes the Money Laundering Law, and Georgia is committed to international anti-crime cooperation, although Georgia is not a signatory to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.[16]

2. National anti-corruption strategy: In June 2005, the Government of Georgia adopted a National Anti-Corruption Strategy followed by an *Implementation Action Plan* in September of the same year. These measures were elaborated and updated for 2007-2008 with the goal of improving transparency and effectiveness of the civil service and strengthening the role of inspectors-general within public agencies. In 2008, a decision was made to revise both the strategy and the action plan, and the Anti-Corruption Interagency Council was established by the President in December 2008. In 2010, the Council adopted a new National Anti-Corruption Strategy, which outlines six priority areas. A new action plan was also approved in the same year. According to Transparency International's (TI) National Integrity System 2011, some important issues, such as transparency of media ownership, were not included in the new National Anti-Corruption Strategy and were later addressed completely outside its framework.[17] Several international donor programmes have been launched to assist Georgia

---

[13]Chêne, M. (2011). *Transparency International*, reviewed by: Robin Hodess Ph.D, Transparency International, rhodess@transparency.org Date: 6 July 2011, Number: 288, p. 2.

[14]*Ibid*, p. 3.

[15]Annual Report on the European Union's Development and External Assistance Policies and Their Implementation in 2011, European Commission Directorate General Development and Cooperation - Europe Aid, 2012. ec.europa.eu/europeaid/multimedia/publications/documents/annual-reports/europeaid_annual_report_2012_full_en.pdf

[16]Public Anti-Corruption Initiatives: Business Anti-Corruption Portal - Georgian Country Profile. http://www.business-anti-corruption.com/country-profiles/europe-central-asia/georgia/georgia/initiatives/public-anti-corruption-initiatives.aspx#header

[17]Transparency International's (TI) National Integrity System 2011; transparency.ge/nis/

in pursuing a strategy that increases the capacity for good governance (e.g. by Danida (Denmark) and SIDA (Sweden), among many others). The US Department of State 2011 reports that in 2011 the Ministry of Justice actively enforced internal ethics disciplinary rules in the Prosecution Service to reduce corruption. The same year, the government pursued policies aimed both at limiting the number of bureaucratic regulations and requirements and at targeting opportunities of corruption, as pointed out in Freedom House 2013. As a result, several Public Halls across the country were opened, centralising a number of administrative agencies in one station. Moreover, extensive training of civil and public sector officials was launched, including education on the legal right to access information and the correct accompanying procedures. Enforcement of anti-corruption policies has resulted in a virtual elimination of low-level corruption; however, the connections between business and politics remain opaque, according to the same source.[18]

3. Anti-corruption inter-agency council: The Anti-Corruption Inter-agency Council was set up to support and update the National Anti-Corruption Strategy and Action Plan. Responsibilities include developing and updating the national anti-corruption strategy and the relevant action plan. According to TI's National Integrity System 2011, the Council is an ad hoc body, rather than a complete anti-corruption body. The same report also states that the Council does not enjoy a full degree of independence.[19]

4. The national ombudsman: The Ombudsman, also called the Public Defender of Georgia, was established in 1997. The Public Defender institution supervises the protection of human rights. It also supervises the activities of public authorities, public officials and legal persons and evaluates their activities. It has become quite a strong organisation. In principle, it is independent, although the government tries to influence it. According to TI's National Integrity System 2011, the Public Defender is, in practice, protected from political interference. According to the report, the Public Defender does not receive sufficient funding from the government; however, foreign donors play an important role in compensating shortcomings. According to the report, the Public Defender relies on the support of foreign donors for approximately 30 per cent of total operating expenses. Despite this shortcoming, it regularly publishes reports on its website. TI's report explains that citizens who file complaints do not always feel protected from retaliation. According to Global Integrity 2011, the government rarely acts on the findings of the Public Defender. However, Global Integrity 2011 evaluates the Public Defender to be "strong" and well protected from political interference.[20]

5. The state audit office of Georgia (SAOG) is the office of the auditor general and is the primary auditing body. Access to declaration forms, legislation and a hotline are provided on the SAOG website. The SAOG replaces the previous Supreme Audit Institution of Georgia. According

---

[18]Public Anti-Corruption Initiatives: Business Anti-Corruption Portal – Georgian Country Profile. http://www.business-anti-corruption.com/country-profiles/europe-central-asia/georgia/initiatives/public-anti-corruption-initiatives.aspx#header
[19]*Ibid.*
[20]*Ibid.*

to Freedom House's 'Nations in Transit - Georgia 2013', the SAOG is provided with broad powers to monitor political finances and seize assets or fine any group or organisation in violation of Georgia's campaign finance regulations. However, according to Freedom House's 'Freedom in the World - Georgia 2013', there is a pro-government bias in the SAOG.[21]

6. E-Governance: Many Georgian ministries have informative websites to increase transparency. According to the UN Public Administration Programme's E-Government Development Database, Georgia's E-government rank is 72nd out of 190 indexed countries. The Ministry of Finance provides online services for company registration, taxes and customs. The State Procurement Agency has developed an online service where tenders are published with relevant contact information that increasingly promotes transparency. The Ministry of Economic Development has produced a privatisation website (although only in the Georgian language) detailing ongoing privatisation initiatives and sales in order to increase transparency and equality within the privatisation process. Furthermore, information concerning business registration, amendments to tax laws and rules of litigation can be found on the Business Ombudsman's website.[22]

7. Public procurement: There were concerns in the past over conflict of interests in public procurement, as the now replaced Procurement Office functioned under the Ministry of Economic Development, which tenders many of the large public contracts. To mitigate these concerns, Georgia established the State Procurement Agency (SPA), again under the control of the Ministry of Economic Development. It is supposed to function with greater power and independence, although it remains subject to the ministry's interference. The government has been making efforts to improve the transparency and efficiency of the public procurement system, in part by strengthening information exchanges between the Competition and State Procurement Agency and the Ministry of Finance. In addition, a new E-procurement system was introduced by the SPA in 2011, aiming to create an open, transparent and competitive bidding process. Companies found guilty of corruption in procurement processes are blacklisted and prohibited from participating in future bids, and the blacklisted companies can be found on the Competition and State Procurement Agency's website. According to the press release by TI (June 2013), the country's E-procurement system is among the most transparent in the world; however, too many contracts are permitted to bypass the system. TI-Georgia has recently launched Tender Monitor, an online tool through which users can monitor procurement activities in the country.[23]

8. Whistle-blowing: Whistleblower protection is supposedly ensured by the 2004 Law on Freedom of Speech and Expression (Art. 12) as long as the disclosure is judged to be in 'the public and lawful societal interest'.

However, whistleblowers within state institutions reportedly continue to suffer from disciplinary action and harassment when they report suspicious activities within state institutions. The Law of Georgia on the Conflict of Interests and Corruption in Public Service (Art. 20) guarantees whistleblower protection. However, according to Global Integrity 2011, the provision of this law applies only to public service; therefore, private sector employees who report corruption cases are not protected under this Law. The right to access public information is secured in the General Administrative Code of Georgia (Chapter 3: Freedom of Information), although the Law on State Secrets places restrictions on revealing information believed to be damaging for the sovereignty and security of the country. Hence, Global Integrity 2011 evaluates Georgia's whistleblowing regulations "very weak".[24]

Since 2003, Georgia has gone through an extensive process of reforms and undergone massive deregulation, successfully stimulating economic growth, while raising concerns of unfair competition, poor product safety and lack of consumer protection in the process. In 2005, as part of this process of deregulation and economic liberalisation, a new law on Free Trade and Competition was adopted. According to the Government, this law was adopted as part of the reform of the competition policy aiming, among others, at reducing reportedly widespread corruption accompanying the enforcement of the then existing Law on Monopoly and Competition and thus creating a level playing field for market actors (Government of Georgia, 2010).[25] An Agency for Free Trade and Competition was created under the Ministry of Economic Development to oversee the law, with no investigative or enforcement power. A very liberal trade policy was adopted, including simplified customs procedures, free trade regimes with all its regional trade partners and the pursuit of international free trade agreements with the rest of the world. Between 2004 and 2007, Georgia tripled its volume of Foreign Direct Investment (FDI) attracting 1.6 billion U.S. dollars, which soon exceeded foreign aid as a source of external finance.[26]

Perhaps the most overarching governmental priority has been to reform the economy in order to stimulate investment, economic growth and the legalisation of the economy. To start, the tax system was rapidly rebuilt. Already by the end of 2004, tax revenues as a share of GDP had increased from 12 percent to 20 percent of GDP, primarily due to improvements in collection. In February 2005, a new tax code was adopted, which reduced the number of taxes from 22 to eight, and later in 2008 further down to six, as well as sharply cut the tax rates. Among the novelties introduced was the position of tax ombudsman, which is created to protect taxpayers' rights and report conditions to parliament. In sum, tax legislation has focused on making the system as simple as possible, including low, flat and few taxes. According to Forbes, Georgia has the fourth lowest tax burden in the world after Qatar, the UAE and Hong Kong.[27]

[21]*Ibid.*

[22]*Ibid.*

[23]*Ibid.*

[24]*Ibid.*

[25]Chêne, M. (2011). Integrating Anti-Corruption Measures in Georgia's Newly Established Competition Agency; Anti-Corruption Resource Center, www.U4.no Transparency International, mchene@transparency.org Reviewed by: Miklos Marshall, Transparency International, mmarshall@transparency.org Date: 19 April 2011, p. 4.

[26]"2004-2010: Seven Years that Changed Georgia Forever," A publication of the Government of Georgia.,

[27]Engvall, J. (2012). *op.cit.*

Starting in June 2005, a law was passed that clearly defines all types of activities that required a license or permit. From having had 909 licenses and permits, only 109 licenses and 50 permits remained. In total, 70 percent of the business-related licenses and 90 percent of the permits that were once necessary for businesses to operate were abolished. A year later, the Law on State Support for Investments established the National Investment Agency responsible for assisting investors in obtaining various licenses and permits. In Georgia, the government reduced tax rates dramatically, cut the number of taxes from 21 to 7, broadened the base of the value-added and profit taxes, and eliminated many special exemptions and privileges. This increased tax revenues by approximately 4% of GDP and led to a huge decline in tax-related corruption. In 2002, approximately 44% of small and medium sized enterprises reported that bribery in tax administration was frequent. By 2005, that number had fallen to 11%.[28] In Georgia, "[m]inisters have been given the authority and responsibility to eradicate corruption in their ministries and are being held accountable for results. As an example, in July 2005, the finance minister resigned, following a case of corruption in the tax office. While the minister was not personally implicated, he assumed responsibility for not having maintained enough control."[29]

The legal and institutional framework for promoting free trade and competition was further strengthened as part of the negotiations on the Deep and Comprehensive Free Trade Agreement (DCFTA) between Georgia and the EU. A new Agency for Free Trade and Competition was established in spring 2010, whose independence and competences were strengthened through a wide range of possible interventions, including institutional and technical capacity building activities as well as independent monitoring of the implementation of the competition regulations.[30] The efforts were ended with the signature of the DCFTA and Association Agreement with the EU in June, 2014. As part of the negotiations on Deep and Comprehensive Free Trade Agreement (DCFTA) between Georgia and the European Union, the EU has formulated a set of competition related preconditions that promote the establishment of a strong and independent competition authority. A new Agency for Free Trade and Competition (AFTC) as an independent legal entity of public law was established in spring 2010, based on the AFTC's statutes and the respective amendments to the law on Free Trade and Competition.[31] It should be kept in mind, that these various tides of reforms were promoted by the World Bank. In February, 2006, the World Bank launched the Public Sector Financial Management Reform Support Project, a $15 million (26 million GEL) initiative to better track public expenditures and improve the civil service sector. In July 2006 the World Bank reported that Georgia underwent the largest reduction in corruption among all countries in Eastern Europe and the former Soviet Union from 2002 to 2005, with the most recognisable progress occurring in the tax and customs sectors.[32]

Thus, it is visible that since 2003 Georgia went through some remarkable improvements in terms of significantly reducing corruption in the country. This was made possible mainly due to systemic and institutional reforms undertaken in different governmental and civil service agencies, which directly influenced positively on citizen's attitudes towards the government. Nevertheless, as the second part of the chapter will demonstrate, some problematic areas remain, which negatively influence the effectiveness of the NIS of Georgia.

The performance of the civil society sector is somewhat questionable in terms of its influence as a watchdog. In-spite of success of some civil society organisations in uncovering and monitoring corruption cases before the Rose Revolution, it should be mentioned that the civil sector is still quite weak in fighting corruption in Georgia; their impact is often less visible and less influential than it could be. Following are the most prominent civil society organisations in Georgia: Georgian Young Lawyers Association (GYLA), Transparency International Georgia (TI-G), Open Society Georgia Foundation (OSGF), Association Green Alternative, Economic Policy Research Center (EPRC), Civitas Georgia, Eurasia Partnership Foundation - Georgia, CARE, CIDA, Association of Young Economists of Georgia - GYEA, Center for Strategic Research and Development of Georgia (CSRDG); United Nations Association of Georgia (UNAG); American Bar Association (ABA); International Association of Business and Parliament - Georgia (IABPG);[33] some of them have undertaken important activities in the process of fighting corruption, mainly aimed at the promotion of accountable government structures through implementation of the legislation on access to information and, at the same time, promotion of financial transparency in public institutions funded from the state budget by using FOI (Freedom of Information) as an instrument.

The following integrity-focused activities have been implemented within the framework of different projects, either initiated or supported by them:

1. Implementing freedom of information principles in real life by strategic litigation and monitoring access to information;

2. Monitoring and advocacy through the project "Georgian Government under Sunshine", which includes the following elements:
   • Support of the establishment of public broadcasting;
   • Monitoring of the President's reserve fund
   • Monitoring of the Government's reserve fund;
   • Monitoring of the reserve fund of Adjara Autonomous Republic;

3. Assistance to the development of the local NGO sector addressing corruption and transparency actions in Adjara and Kutaisi;

4. Round tables and trainings for judges and freedom of information officers;

---

[28]Building Public Integrity through Positive Incentives: MCC's Role in the Fight against Corruption, Working Paper, p. 10. www.mcc.gov/documents/reports/mcc-workingpaper-corruption.pdf

[29]*Ibid*, p. 13.

[30]Chêne, M. (2011). *op.cit*. p.1.l

[31]*Ibid*, p. 5.

[32]Georgia - A report by David Tsitsishvili, Hertie School of Governance, September 2010, p 5.

[33]Georgia - A report by David Tsitsishvili, Hertie School of Governance, September 2010.

5. Creation of databases of freedom of information officers in Georgia;

6. Creation of an online guidebook on Freedom of Information;

7. Elaboration of recommendations for the promotion and development of freedom of information legislation and practice in Georgia.[34]

Unfortunately, the performance of civil society according to the NIS demonstrates that in many cases the opinion and recommendations of civil society organisations are quite ignored from the side of the government, which significantly downgrades its standing as one of the pillars of the NIS of Georgia.

Georgia's anti-corruption path and scoring of National Integrity System (NIS)

The Georgian NIS is characterised by the dominance of the executive branch and the relative weakness of other key institutions. The executive branch and law enforcement agencies are particularly strong, compared with others, especially in terms of their capacity and role in fighting corruption. Shortcomings in the legislature's and the judiciary's independence and ability to oversee the executive suggest critical deficiencies in the system of checks and balances. This is particularly worrying since the non-state pillars that are supposed to serve as watchdogs - the media, civil society and political parties - are among the weakest institutions in the integrity system.[35]

[34]*Ibid*, pp. 29-30.

[35]National Integrity System - Transparency International Country Study, TI-Georgia, 2011, pp. 14-15. transparency.ge/sites/transparency.ge.nis/files/TIGeorgia_NISReport_en.pdf

The political system is exclusive and driven by elites. The low level of citizen activism and participation also weakens political parties, while simultaneously hampering the development of a strong and effective civil society that is able to hold the government accountable.[36] The strengthening of the legislature and judiciary is necessary in order to ensure integrity throughout the governance system. The weakness of non-governmental pillars must also be overcome in order to attain this goal. In addition, the functioning multi-party system, eroding imbalance in the electoral system, as well as the application of anti-corruption laws thoroughly and consistently in practice are important for the effectiveness of the national integrity system.[37] In the case of Georgia, the political-institutional foundations of NIS score as 50, that is, Georgia's legal framework guarantees civil and political rights of citizens and provides for fundamental democratic process, but these legal provisions are not applied thoroughly and consistently in practice. In terms of socio-political foundations, the link between society and political parties is somewhat weak and political elites are mostly exclusive. As for the socio-economic situation, in spite of some success in this sphere, economic inequalities persist and large number of citizens was not affected with the growth figures in 2003-2007. Regarding the socio-cultural situation, the values of Georgian society are conducive to a strong and functioning NIS, although the lack of interpersonal trust is significant.[38]

The general picture of anti-corruption activities, according to the GCB - Global Corruption Barometer, demonstrates that government anti-corruption policy was rated as effective by 77 per cent of respondents and 78 per cent said that the general level of corruption decreased during the preceding 3 years. Whereas in the Global Integrity Index study, Georgia's rating has fluctuated from "moderate" in 2006 to "weak" in 2007, to "very weak" in 2008, to "moderate" again in 2009. In the same year, that of 2009, Georgia was dropped from the Global Integrity Grand Corruption Watch List, while government accountability, the budget process, business regulation and law enforcement were listed among the key areas of concern.[39]

Summing up the NIS of Georgia, according to the 3 leading pillars – legislature, judiciary and executive - it could be said that the legislature is quite strong with good transparency, but there is a lack of pluralism and the legislature fails to fulfill its role to maintain checks and balances with respect to the actions of the executive. The executive branch has good capacity and went through many successful reforms, but it demonstrates weak accountability and there is low transparency of the president's administration. Bribery has been mostly eliminated in the judiciary, but it lacks independence from the executive and faces problems related to transparency. Public administration has considerably improved, but is still highly dependent on political leadership. Similarly, law enforcement agencies have good capacity, but work with low transparency and are subject to political influences. The same unbalanced developments could be found in other pillars of the NIS. Considering the fact that all the pillars of the NIS are interrelated and tightly interconnected, it could be argued that the weakness of the legislature and political parties influences almost every other pillar, either directly or indirectly.

Conclusion

The Georgian case study demonstrates that the combination of a number of factors emerges as critical elements that contributed to the success of the anti-corruption campaigns: change of power, public support and momentum for reform, political leadership, economic incentives for anti-corruption reforms and external environment. In general, the key feature of Georgia's reforms is the holistic approach adopted, not the identification of any key priority areas from which reforms then spilled over to other spheres in a somewhat mechanical process. The holistic approach implied not only significant reduction of corruption, but modernisation of all branches of the government machine. That proved to be most successful in the total rebuilding of many governmental agencies and structures (e.g., police), as well as modernisation of almost all ministries and public agencies (see above). Modernisation implied total transformation in terms of structural, as well as organisational and mental aspects. This was intended as a break with the Soviet past and as a start of building the new European state and nation.

To this end, the internal tides of reforms were coordinated with the recommendations of international organisations and donors. In practice, the suggestions for a gradual approach were ignored by the Georgian government and instead a rapid, holistic approach was fashioned - attacking corruption at every front simultaneously. As for those that were implemented - often quite successfully - some European models were taken as cases of transformation. Notwithstanding various successes in terms of significantly reducing corruption in the country, it could be argued that legitimate questions still remain on the maintenance of the elitist corruption in the country. This aspect influenced the weak standing of Georgia in terms of different pillars of the NIS. The improvement of these failures and future advancement of Georgia's integrity is highly dependent on further reduction of those main gaps that are demonstrated within and between different pillars of the NIS in the case of Georgia.

---

[36]*Ibid*, p. 18.
[37]*Ibid*, p. 18.
[38]*Ibid*, pp. 19-23.
[39]*Ibid*, p. 24

Bibliography

Annual Report on the European Union's Development and External Assistance Policies and Their Implementation in 2011, European Commission Directorate General Development and Cooperation - Europe Aid, 2012. http://ec.europa.ed/europeaid/multimedia/publications/documents/annual-reports/europeaid_annual_report_2012_full-en.pdf

Building Public Integrity through Positive Incentives: MCC's Role in the Fight against Corruption, Working Paper http://www.mcc.gov/documents/reports/mcc-workingpaper-corruption.pdf

Chêne, M. (2011) Transparency International, reviewed by: Robin Hodess, Ph.D, Transparency International, rhodess@transparency.org Date: 6 July 2011, Number: 288

Chêne, M. (2011) Integrating Anti-Corruption Measures in Georgia's Newly Established Competition Agency; Anti-Corruption Resource Center, www.U4.no Transparency International, mchene@transparency.org Reviewed by: Miklos Marshall, Transparency International, mmarshall@transparency.org Date: 19 April, 2011

Corruption Perceptions Index 2003. http://archive.transparency.org/policy_research/surveys_indices/cpi/2003

Dadalauri, N. (2007). Political Corruption in Georgia, in 'Corruption and Development: The Anti-Corruption Campaigns'; Edited by Sarah Bracking, University of Manchester, UK, with a Foreword by Deryck R. Brown, Commonwealth Secretariat, UK, pp. 155-167.

Engvall, J. (2012). Against the Grain: How Georgia Fought Corruption and What It Means, in Central Asia-Caucasus Institute & Silk Road Studies Programme - A Joint Transatlantic Research and Policy Center

Fighting Corruption in Public Services - Chronicling Georgia's Reforms. The World Bank, Washington, 2012, p. 76. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/01/20/000356161_20120120010932/Rendered/PDF/664490PUB0EPI0065774B09780821394755.pdf [Assessed on July 5, 2014]

Georgia - A report by David Tsitsishvili, Hertie School of Governance, September 2010

Georgia Human Development Report 2008: The Reforms and Beyond (Tbilisi: UNDP), 2008

Global Corruption Barometer - 2013, Transparency International (2013)

Karklins, R. (2005) The System Made Me Do It: Corruption in Post-Communist Societies (New York: M.E. Sharpe)

Kaufmann, D. (1998). Sanjay Pradhan and Randi Ryterman, "New Frontiers in Diagnosing and Combating Corruption," PREMnotes 7, The World Bank, October

National Integrity System – Transparency International Country Study, TI-Georgia, 2011. http://transparency.ge/sites/transparency.ge.nis/files/TIGeorgia_NISReport_en.pdf [Assessed on July 5, 2014]

Public Anti-Corruption Initiatives: Business Anti-Corruption Portal – Georgian Country Profile. http://www.business-anti-corruption.com/country-profiles/europe-central-asia/georgia/initiatives/public-anti-corruption-initiatives.aspx#header [Assessed on July 5, 2014]

"2004-2010: Seven Years that Changed Georgia Forever," A publication of the Government of Georgia, http://georgianreforms.ge/res/02.pdf [Assessed on July 5, 2014]

A case study on integrity from Georgia - fraud in academic competition at a state university

David Matsaberidze, Assistant Professor, Iv.Javakishvili Tbilisi State University
Ivane Tsereteli, Associate Professor, Iv.Javakishvili Tbilisi State University

Guidelines

This case study deals with fraud at a higher education institution (HEI) in Georgia. Although corruption is probably one of the most widespread problems at HEIs - between professors and students as well as professors and administration - there might be another integrity related problem that could negatively influence the prestige of the university, the quality of education and the credibility of the academic staff of the institution. Read the case and analyse the levels of the integrity problems and their nature. Are they organisational or individual? What are the levels? Who is to blame? How can these problems be prevented or treated upon appearance? What are the early symptoms? What kind of action plan should be implemented to preclude such scenarios?

The Case

An academic competition was held at one of the state universities, which takes place once every 6 years. The competition is open for both those who currently occupy positions at the university, as well as for those who would like to join the university either from research centres or from other universities of the country. According to the intra-university principle (which is not a normative regulation in itself) professors occupying positions at the university could not be replaced by a new academic if:

1. S/he honestly and properly fulfils his/her tasks and serves with a high sense of responsibility;

2. The newcomer is not better than the acting professor, thus there is no rationale to dismiss him/her and bring a new academic in his/her place.

Just before the opening of the competition, an interest group is formed in the university, which pushes one university professor (Prof. J) out of the academic staff, without any rational or reasonable justification. From the very beginning this interest group stands in favour of a dismissal of the current professor, Prof. J, as he does not play according to their "rules of the game," has good personal international academic links that he does not share with others and is very popular among students.

This interest group promotes an incoming professor for this position from outside of the university. A dean of the faculty, who, at a glance, holds a neutral position, supports the intention of the above-mentioned group of professors. The dean, in cooperation with this group, creates a competitive commission, which is comprised of a professor who was insulted by Prof. J during the previous academic competition at one of the research institutions, by a lawyer who serves the interests of the university administration, and by a co-worker of Prof. J who is a low-rank assistant professor and in this case a secretary of the committee. The latter has low-quality academic credentials, and due to this reason, Prof. J does not eagerly collaborate with him. The lawyer is called on in order to ensure legitimacy of any decision made by the competitive commission.

In addition, Prof. R, a co-worker and professor of the university, who has significant influence on administrative processes of the university, managed to promote his son, a professor of the university as well, in the competitive committee, to have a direct say in the process. Prof. R has his own interest in the case: as a result of driving out Prof. J from the university, he will manage to take control over a particular academic segment of the faculty, which he is unable to exercise with Prof. J still on the faculty. These are grants, foreign relations partnerships, and students, which all bring state budgets and financing to the university, etc. The rector of the university is of a conformist character, who struggles to maintain his position and aims to create at least a shadow peace and a sense of advancement in the university. Thus, a huge circle of personalities is already formed, who have shared interests at a particular moment, which might negatively influence the university prestige. Due to the divergent and conflicting interests around this particular academic contest, which was already visible before the opening of the competitive commission's work, a segment of the competition - "a job-talk" with those running the competition - is video-recorded. Later, the video-tape reveals that some members of the competitive committee were biased in favour of a particular candidate in the competition.

Assignment

1. Use an 'integrity lens' to analyse all the stakeholders and their interests and actions using the four elements of INTEGRITY: Accountability, Competence, Ethics, and Lack of corruption (or with corruption controls).

2. Develop an action plan (including activities, responsible implementers, training for staff regarding the plan, etc) with compliance AND integrity measures for preventing the ethical and integrity problems demonstrated in this case.

Teacher's guide for case study
Various levels of integrity problems

1. **The central administration of the university:** is not interested in conducting an objective and transparent academic competition. It does not work for improvement of academic quality and advancement of the university.

2. **The rector:** the rector is warned from the side of a group of professors that the competitive committee was pre-determined in favour of a particular candidate, and it was arbitrarily structured by the dean, but he still approves the committee and declares that he "sees the balance of interests" in its existing structure.

3. **Inter-personal level:** there are some previous grievances and offences between the members of the committee and one of the professors in the present run-up;

4. **Dean's level:** the dean struggles to take control over the entire faculty and to bring all of the processes under her influence: grants and participants of grant projects; scientific-academic missions, inviting professors, selecting the new generation of young promising scholars, etc;

5. **Competitive committee level:** personal linkages between various members, who can easily form an alliance against a particular personality in the process of run up for the academic position; they can also easily influence the other members, who, at a glance, hold a neutral position;

The results of the academic competition

The competitive commission took a pre-determined decision and brought the incoming professor, an academic with low qualification, instead of Prof. J, into the university. This has negatively affected the teaching and research process of the particular unit, which has harmed the prestige of the university in general. It is clear that neither the Rector, the university central administration, nor the dean are interested in the provision of high quality education through the maintenance and recruitment of qualified academics. Moreover, they are not interested in correcting the error of the competitive commission. Within a month or so, the dismissed Prof. J was invited by another university to apply for a position, and was granted a professorship.

Group of professors vs. rector.

Apart from students, a group of professors also meet with the rector on the case of Prof. J with the intention to bring more clarification to quite vague circumstances. They urge revision of the decision taken by the competitive committee as there is a huge gap in the professionalism and qualification of Prof. G [the newly appointed professor] and Prof. J [the dismissed professor]. The Rector promises to find a solution and asks for some time to see the video-recording. During the next round of meetings with students and professors, it becomes clear that he did not watch the video-tape, did not read the written records of the competitive committee or the submitted files of the competitors. Thus, indifference of the Rector towards this issue became visible.

Recommendations

The present case study reveals some integrity problems, which were listed above. Nevertheless, it should be mentioned that the created dilemma could be easily avoided if the following measures were taken on time:

1. The university administration, the main structure which sets the competitive commission, should have concentrated on the prestige of the university and the level of education;

2. Apart from concentrating only on procedural issues, the lawyer should openly react on various misbehaviours before and during the competition from the side of particular members of the committee (depicted in the video-tape);

3. An Assistant Professor does not have the right to sit on the committee for the selection of the higher rank professors. This should have been upheld and corrected;

4. During the "job-talk" candidates should have equal conditions, which was not the case according to the video-tape;

5. The Academic Council of the university, which was headed by the Rector and which approved the decision of the competitive committee, could block the decision of the committee as it was against the interests of the university. Moreover, the supportive materials of this argument were provided to the Rector and the Academic Council in advance, from the side of a group of professors;

6. The two members of the competitive committee were eager to report directly to the Academic Council on the subject matter regarding the dismissal of Prof. J and promotion of Prof. G before the approval of the decision, but they were not called on by the Academic Council at its session. Ideally, the Academic Council should give an opportunity to this group of professors and should listen to their opinions.

History of corruption in Kyrgyzstan, development of anti-corruption activity and integrity building in society

Rakhat Shamshievna Bazarbaeva, PhD. Economics, Kyrgyz-Russian Slavic University after B.N. Yeltsin

Introduction

Kyrgyzstan has a long history of corruption in which there have been successes and setbacks. This paper will outline the history of corruption and anti-corruption in Kyrgyzstan from how it operated in the clan or tribal system, through Russian rule, post-communism and the coloured revolutions of the early 2000's. It will also examine how Islam, cultural influences and scholars have informed attitudes toward corruption. The latter part of the chapter will also explore anti-corruption activities that have been introduced and why they have been relatively ineffective. Finally, the more recent introduction of integrity measures will be discussed.

I. History of corruption in Kyrgyzstan

The dynamics of the corruption index reveal the deterioration of the situation over the years of independence. In terms of Transparency International's Corruption Perceptions Index (CPI), which ranks countries based on the amount of corruption perceived in the public sector, as at 1999 Kyrgyzstan held the 87th position out of 177 (representing a public sector that has low perceived corruption), only to slide down to the 150th in 2013. The CPI of Kyrgyzstan reached 24 points out of an estimated 100 (where 0 points stands for the highest level of corruption, while 100 is the lowest).[1] Today this problem concerns the entire society. Corruption in Kyrgyzstan is widespread not only in public entities (notably in fiscal and law enforcement agencies); it has infiltrated into the domains of education, health care, and the private sector.

To what is this due? Why, in spite of the measures taken by authorities, is corruption so viable in our society? Many scholars are trying to answer these questions. The pages of magazines witness hot debates: corruption, nepotism, protectionism. Are all these the elements of our old political culture, or the need to adjust to the political difficulties of the current transition stage? To understand its reasons let's consider the evolution of corruption from the perspective of the change in public ethics and the relation of power to this phenomenon.

Prior to the emergence of the institution of the state, the Kyrgyz people had the foundations of so-called 'soft corruption', which functioned based on the principles of kinship and tribal relationships (tribalism). Until the 1930's, the Kyrgyz were nomadic cattle-breeders. The common property of the pastures and cattle constituted the economic basis of the clan. This centuries-old experience had formed certain types of socioeconomic connections inside the clan, which was due to the need for survival under severe natural and climatic conditions, and the necessity to resist dangers from outside the clan. At the head of each clan was the most experienced and

[1] Transparency International, Corruption. http://www.Transparency.org/policy_research/surveys_indices.

reputable man - *aksakal*. The representatives of the feudal aristocracy of a clan *(manaps)* ruled the tribes and were vested with judicial powers. They possessed large herds, and therefore the majority of the family members were dependent upon them. In the course of the historical development the methods of production changed, as did types of property and social relationships. Due to the clan structure, the traditions and norms of Kyrgyz society stayed intact.

What was the reaction of society to this phenomenon? Religion played a part in how people think about corruption. Islam condemned all the forms of unlawful appropriation of property and the misuse of office. According to the Koran, such behaviour was considered sinful. The sacred book states: 'Do not misappropriate each other's property and in this way do not bribe judges to deliberately seize a part of other people's property in a sinful way'.[2] From the standpoint of Shariat (Islamic law), the giving and taking of bribes is sinful. The Prophet Mohammad cursed everyone who offers a bribe, who takes a bribe, and is an intermediary to broker the bribe. In his opinion, if a man is known to be engaged in illicit acts and his guilt is proven, then he must be punished already in this world.

The medieval scholars in their works studied problems relating to corruption. For instance, the philosopher and poet U. Balasaguni (10th century) raised the problem of dishonest governance in his poem 'Kutadgu bilig' (or God-sent knowledge) and suggested a system that encompassed issues of ethics and public administration. He described four principles to underpin not only his philosophical system, but also his doctrine called 'The science of being happy' (or, to put it in contemporary terms, the teaching of fair governance): *adildik* - honesty, integrity; *daule*t - heritage, wealth, state; *akyl* - mind, intellect; *kanaat* - gratification, being content with little. Under medieval conditions he expressed brave thoughts about prudent governance of society. The first and foremost principle ensuring the sustainability of society, as he believed, is that fair laws have to be observed by the ruler as well as by each and every subject.

By the time the Kyrgyz joined the Russian Empire (the mid-1780s) all the land was declared to be nationalised. With the enforcement of the law on Governance in the Semirechensky and Syrdarynsky regions an attempt was made to divide the nomadic population into *volosts* (small rural districts) and *auls* (villages with the aim to create a mixed composition of the population to replace clans. In the wake of the Land Tax Reform carried out in the 1890s, "*kyshtaks*" (sedentary settlements) appeared. In this way Russian authorities countenanced the formation of conditions towards the weakening of tribalism.

The functions of protection of the population against external aggression and legal regulation of relationships gradually passed over to the state. During that period the former *datkhs, beys, manaps* (the propertied

classes) were deprived of the right to arbitrarily own the land. The Russian administration retained the existing governance system and the judiciary system of the lower socioeconomic classes. The latter stayed in the hands of *kazys* or judges who administered justice among the population based on the tenets of the religious Muslim law (Shariat), and *beys* or judges to exercise customs *(adat law)* for the benefit of a nomadic population. According to the evidence at the time,'...when passing sentences, the *beys* guided themselves primarily by the interests of their tribe and protected the interests of their relatives. Both *beys* and *kazis* had one thing in common: they took bribes'.[3] At a higher level of court cases the Russian system was applied which also had its shortcomings. Nevertheless, the imperfection of legal norms did not put out the Russian administration since the activities of the local courts '....were paid by the parties of the litigation - court fees or *biyalyk* estimated at 10% of the relevant amount.[4] To put it in other words, the representatives of the powerful stood above the grassroots and, more than this, made them dependent and curry favour with them by entering into covert contracts.

During the Soviet period the powerful declared a war against tribal relationships, carried out impressive ideological work towards building a new community of people - the Soviet people. As scientists note, the struggle against tribalism implied '…stratification of society into classes, liquidation of the propertied classes - *bays, manaps*, and *kulaks* - exploitation of Soviet and economic bodies, an offensive against patriarchal vestiges of the past, nationalism, clannishness and parochialism, introducing industrialisation, collectivisation, cultural revolution, etc. But its main elements were the radical change of the traditional social setup and of social relationships'.[5] Contrary to the efforts of authorities, the tribalist traditions were manifested in different new ways and assumed new forms. The First Regional Party Conference of the Bolsheviks stated: '…a *manap* keeps striving to exercise rule, the only difference being that in the past he would buy the position of the district governor, while now he is trying to obtain it through kinship connections'.[6] Everywhere there was a group fight for the leading positions in the party and state apparatus. The phenomenon of tribalism surfaced once again over the collectivisation of agriculture. This time around it took the form of establishing collective farms by a kinship principle. The political system of socialism which was built upon the principles of hierarchy and subordination to the leader, actually reiterated the kinship structure of society.

In the Soviet Kirgizia the issue of corruption was not openly raised. Common citizens were made to believe that corruption in a Soviet society is a distortion of socialist morals, an atypical thing inherent in bourgeois society only. There were different methods by which people tried to resist corruption. There were not only repressive ways, when through removal of bays and *manaps* the Soviet party apparatus was cleansed, but also administrative methods. For instance, at the Second All-USSR Party

[2]Koran, 2:188
[3]Kokaysl P. A. Usmanov history of Kyrgyzstan the eyes of witnesses. (Rus) www.akipress.org/kghistory/news
[4]Kaganovich A. Some problems of tsarist colonization Turkestan [online].(Rus)CA&CC Press, Sweden, 1998–2006 [citation. 23. 12. 2006].
[5]J. Dzhunushaliev. Flat B. *Tribalism and the problem of development of Kyrgzstan* (Rus)// http://www.ca-c.org/journal/cac-09-2000/17.Dzhunu.shtml
[6]Ibid.

Congress of Agricultural Record-Setters, a Statute of an Agricultural Artel (a peasants' cooperative) was passed which subsequently was adopted on the 17th of February 1935 by the Soviet of People's Commissars of the USSR and the CC All-Union Communist Party. The document says that the work is distributed by the foreman between the members of the artel, which rules out any sort of nepotism and family favouritism.

Besides that, extensive ideological and educational work was conducted. This citation by Iskhak Razzakov, Head of the Council of Ministers of the Kyrgyz SSR: 'If I am honest, if you are honest, then society, too, will be honest', for many officials became an example of a conscientious attitude towards public service. Addressing his people he always called upon them to combat 'parochial, feudal vestiges criticising those still following the ancient ways, and calling them backward, uneducated people and leaders with a low level of cultural development'.[7]

During the period of independence in the early 1990's the problem of kinship awareness resurged with a new focus, in that they searched for their own relatives and then began to divide themselves into clans. Efforts were made to form the community of people based on the clan and regional affiliation. Tribalism was supported by the ruling echelons in power and exerted a negative impact on the entire society. For example, the 2005 parliamentary elections in Kyrgyzstan were held not by a mixed system, but based on a single-member district principle when political parties and their leaders were excluded from the election process. As a result, the elections were practically carried out by a kinship principle which strained the struggle between the clans and largely predetermined the events of 24 March 2005. After the second President came to power, the power-related positions of the southern clans were considerably strengthened, while the split of the country into the South and the North had large-scale ramifications.

Promoted by the tribalism, 'armchair' or 'white collar' corruption gathered particular strength. It was actually conducted at the level of relationships of individual citizens and leaders of different businesses with the mid-level government officials from administrative, fiscal (Inland Revenue, Customs), law enforcement, and oversight authorities, as well as those representing local governance. As a rule, at this level the services towards acting or failure to act by government officials are remunerated, which enables the subjects both to commit offences and prevaricate from responsibility for the crimes committed. The so-called white collar corruption turned out to be quite subversive in that it damaged the state and public interests at a huge scale. The corruption-caused crimes were perpetrated in the areas of allocations of budgetary assets, state procurements, establishing amounts of tariffs and collections, distribution of quotes, licenses, land plots, natural resources, and state property management.

There are quite a number of examples of privatisation of state-owned property, which turned into misappropriation due to the clan efforts. For instance, within the framework of the PESAC Programme[8] (1994-1996) the enterprise Osh -Zhibek JSC in 1995 was reorganised into Osh -Zhibek State Joint Stock Company. In 1996 a tender was announced which dealt with the sale of shares of that enterprise. Through a proxy, the Irish company King Resources, bought out the 80% of stocks. Afterwards the 29% out of 80% of the stocks were sold to the tune of 377,000 KGS to a Kyrgyz citizen. Meanwhile the collective of Osh -Zhibek managed to purchase only 7% of all stocks. The estimated 100% equaled 430,220 KGS, while the book value as at the moment of the sale by the tender was 130,118 KGS. After being checked, King Resources proved not to be registered, with no trace of any documents on the sale of 29% of the stocks.[9]

In light of all the above issues and common practices, there are significantly different opinions as to the reasons for corruption. Some consider the reasons directly influencing the corruption, namely legal regulation, tax regulation, policy of state expenditures. Others argue that the main causes have to be sought in the quality of the public administration; salary level in the public sector; punishment system, accessibility of the rules. According to the results of a poll conducted in the year 2000 among public servants, entrepreneurs, law enforcement officials, and common citizens of Kyrgyzstan, the bulk of respondents thought the main reasons of corruption to be economic difficulties; weakness of government; corruption among administrators holding the highest positions in government; indifference of the powerful toward the problem of corruption.

In accordance with the standard institutional economic theory, the cause of corruption is ineffectiveness of formal (rules fixed in written form and protected by the state) and informal (moral and ethical norms, traditions, customs, etc.) institutions, as well as mechanisms to ensure their implementation. While sharing this viewpoint one must note that as far as Kyrgyzstan is concerned, it is precisely the imperfection of laws, by-laws, contracts and their contradiction to traditions and customs, written codes of behaviour, business ethics, and mental stereotypes that come to be sources feeding corruption and rendering it so viable.

One can infer from the above that while implementing anti-corruption policy it is necessary, along with the accomplishment of the legislative basis, to reform the judiciary, minimise the discretionary powers of the officials, take measures towards building an anti-corruption outlook. In the case of imperfection of the legislation the country will always experience a lack of balance towards informal institutions (predominance of the shadow economy, corruption, and crime). It largely has to do with the power of the common law (in Kyrgyz language «adat»), which was

[7]K Masalieva AM, B. Great personality. *Memories*. Edited "Uchkun" (Rus)1996 r., c.14
[8]The PESAC Programme is the World Bank-supported Privatisation and Enterprise Sector Adjustment Credit programme.
[9]Baybolov, K., Sadykov, L., Sydykov, A.. *Corruption. Bribery. Responsibility.: Theory and Practice* / / -B.: KRSU, (Rus)1999.-c.99

discussed earlier. In this regard, when fighting corruption it is necessary not only to streamline formal rules (laws, contracts), but also to change moral and ethical values, hold leaders to account, ensure a competent public service, and build an integrity approach through teaching. Inculcation of such principles of integrity as transparency through monitoring, public awareness, word and deed, observance of law - will enable the system of public administration in Kyrgyzstan to become more efficient, which in the long run will enhance the wellbeing of people.

What are the implications of corruption for Kyrgyzstan? First and foremost there are the economic consequences. In the first place, the competitive environment is aggravated since those enterprises which enjoy protection at the top or have the opportunity to evade taxes, are considered more successful. In the second place, a shadow economy develops. The dynamics of change of the shadow economy in Kyrgyzstan over the period between1990-2014 demonstrates the trend of rapid growth in the size of the shadow economy. So if in 1990-1993 it constituted 27.1%, in 1999-2000 it already reached 35.7%, while in 2014 it approximately reached 40%.[10] In the third place, the national budget stops being an instrument of governance and becomes distributive leverage for corrupt cash flows. The practice of violations in public administration leads to enormous financial losses by the state. In 2011 at Zhogorku Kenesh (Parliament) the leader of the deputy faction from the party Ar-Namys, F.Kulov, made public a report on corruption schemes in Kyrgyzstan, prepared by a group of experts. They state that due to corrupt practices the budget of the Republic

loses an estimated USD 300 million (about 14.2 billion KGS, at the time). The most widespread corruption is inside state procurements where the corrupted relationships emerge at all stages of procurements and fulfillment of state contracts. The Kyrgyz Chamber of Accounts, according to the results of audits conducted in 2012 and through 9 months of 2013, revealed violations to the amount of 133.3 million KGS.[11]

Unemployment is a major social consequence of corruption; it reached 7.5% in 2000, with 8.4% in 2012. This spurred migration processes to the countries near and far, which caused the living standards of people to fall dramatically. As the Minister of Economy has it: '38% of the Kyrgyz population lives below the poverty line. In 2012 the number of poor people in Kyrgyzstan was 2,153,000, 65.9% - residents of the rural areas'.[12] This part of the population has little access to basic social services (free education, health care, social security and pensions). There is an expansion of legal nihilism in society which in turn becomes a feeding ground for corruption.

And lastly, of negative impact are the political consequences of corruption. The state is losing the support of society because of the mistrust of the population in the corrupt officials. Lacking institutional and human potential at all levels of public administration and local governance, incomplete information and weak involvement of the general population in the decision-making process, have brought about the weak implementation of reforms, a decrease in confidence by investors and of the credit of the state among the world community.

[10]Compiled on the basis of the UNDP report "Analysis of the nature and extent of the shadow economy in the Kyrgyz Republic." B.-p.9. and the statement by the Prime Minister of the Kyrgyz Republic Otorbaev JK at a meeting of the Parliament 22.05. 2014 // Bishkek - IA «24.kg». (Rus)

[11]Reports of the Accounts Chamber of the Kyrgyz Republic. (Rus) esep.kg/audit-gosfinansov/otchety-o-rezultatax-audita/

[12]Remarks by Minister of Economy of the KR Sariev TA (Rus) www.kabar.kg/rus/society/full/58998

II. Development of anti-corruption activity in Kyrgyzstan

Over the period of independence in Kyrgyzstan multiple plans and projects on anti-corruption activity were developed. During the term of the first President of the Kyrgyz Republic (KR) the following decrees were published and laws passed:

- The 18 December 1992 Decree 'On measures towards combating corruption in the system of government service of the Republic of Kyrgyzstan'.

- The 25 January 1999 Decree 'On the establishment of the Coordination Council on the Fight against Criminality and Offences, under the Prime-Minister'.

- The 8 April 2003 Decree 'On the Formation of the National Council on Fair Governance.

- The 2004 KR Presidential Decree 'On the Establishment of the institution of the secretaries of state'.

During that period the following laws were adopted:

- The KR law 'On Ombudsmen (Akyi kachy) of the Kyrgyz Republic, 2002'

- The KR law 'On State procurements, 2004'

- The KR law 'On Government Service, 2004'

- The Kyrgyz Republic was the first among Commonweath of Independent States (CIS) countries to sign the UN Convention against Corruption in 2003 that was ratified by Zhogorku Kenesh.

Basically, the anti-corruption activities were carried out with the assistance of international donor organisations. In 2004 a mission of foreign experts from the Organisation for Security and Cooperation in Europe (OSCE), United Nations Development Programme (UNDP) and the United States Agency for International Development (USAID) within the framework of the project on fair governance / anti-corruption activities, together with a group of experts from the Organisation for Economic Cooperation and Development (OECD), carried out a review of the legislative and institutional platform of the Kyrgyz Republic in order to launch the first anti-corruption campaign. At first the government agencies, together with the civil society sector, developed the methodological and informational products and recommendations, as well as organised round tables, seminars, conferences, discussions, etc. The anti-corruption measures were of a limited and unsystematic nature, therefore did not have substantial impact on the corruption rate in Kyrgyzstan, and did not change the reaction of the population to this phenomenon. Quite the contrary, corruption actually spread in the government, and became one of the reasons for the March 2005 'Tulip Revolution' to take place.

The second Kyrgyz President from the early days of his rule announced the adoption of the National Strategy on Combating Corruption. It seemed that in Kyrgyzstan an uncompromised struggle against corruption was launched.

- The June 21, 2005 Decree by the acting President of the KR on the adoption of the National Strategy on Combating Corruption in the KR and the Action Plan on the implementation of this National Strategy.

- On October 21, 2005 the KR Presidential Decree 'On urgent measures towards fighting corruption', was made, stipulating the establishment of the National Agency of the Kyrgyz Republic on Prevention of Corruption, and creation of a Special Supervisory Agency – the National Council of the Kyrgyz Republic on fighting corruption. In October 2009 the National Agency was transformed into the Agency of Preventing Corruption.

- The March 11, 2009 Decree of the KR President 'On Adoption of the National Strategy on Fighting Corruption'.

- On February 28, 2006 the KR Government Resolution No.132 approved a set of measures for implementing the Action Plan towards the realisation of the strategy and programme on combating criminality in the Kyrgyz Republic for the period of 2006-2007.

This anti-corruption campaign, just like the previous one, was largely of a formal and declarative nature. In spite of numerous enacted anti-corruption laws, the trust of corruption kept eating away at all the spheres of life. The dissatisfaction of the people spilt over into yet another 'coloured' revolution in 2010.

After April 7, 2010 the new administration likewise declared a war on corruption. On September 29, 2010 the KR Presidential Decree No.212 was launched In the accomplishment of the collaboration of the public administration authorities with the civil society', with a view to expand, enact, and implement the forms of cooperation between the government agencies, local governance authorities, and institutions of civil society of the Kyrgyz Republic. The Decree also related to the transparency of decision-making procedures and their implementation with due regard to the public interests. Public Supervisory Councils (PSCs) were established under government agencies. These Councils were composed of representatives from civil society, scientific circles, business associations, trade and sectoral unions and the expert community dealing with different domains of the state–related activities. They were entrusted with conducting public monitoring and supervision over the implementation of the measures adopted by the state authorities, assessing efficiency of public services, exercising public control of transparency and expediency of the use of budgetary funds. The new public institution under individual Ministries demonstrated itself as a workable tool of public control, especially the PSC at the fuel-and-energy sector. This experience, however, did not catch on in Kyrgyzstan. In most Ministries and Agencies the institution of the PSC has proved ineffective. The main reason behind this is the absence of the law on PSCs, which must provide solutions to the problems of interaction inside the chain

of relationships between public administration agencies, the PSC and society. Nonetheless, even if the PSC law existed, it doesn't mean it would have been implemented and enforced, as other laws and decrees were also often ignored.

Today work towards expanding measures of legal and institutional impact on the reduction of the corruption rate is underway. First of all, relevant legal and institutional foundations of anti-corruption strategies are put in place to harmonise with International law: UN Convention against Corruption to which the KR ascended by virtue of the 06.08.2005 KR Act N 128; Vienna and Palermo Conventions, the EU Conventions; International Treaties to which the KR is a member state; the Model Act proposed by the Inter-Parliamentary Assembly of the member states of the CIS. Besides, in 2012 various laws, acts and regulations were adopted: the KR Act 'On Counteracting Corruption'; National strategy of anti-corruption policy of the KR adopted by the February 2,2012 Decree of the KR President; National strategy of sustainable development (2013), Programme and Action Plan by the KR Government towards fighting corruption for the period of time 2012-2014. The administration of the country attaches particular importance to the alignment of systemic mechanisms (legal and institutional) which are mandatory for the successful anti-corruption policy of the state, removal of corruption risks, and interaction between public authorities and civil society, and awareness of society.

The Kyrgyz Prosecutor's Office, National Security Agency, and the Department of the Interior have subdivisions in charge of fighting corruption. Besides, there is a National Service on Combating Economic Crimes (NSCEC). The Prosecutor's Office is one of the main public agencies to initiate proceedings and conduct investigations on criminal cases in relation to officials. The anti-corruption service under the NSA also reveals corrupt practices among officials holding top political, administrative, and municipal positions, including executives of enterprises with a state share. The NSCEC is in charge of discovering, suppressing, preventing, and detecting crimes that damage the interests of the state.

Investigation of crimes in the corruption sphere is not regulated by any special acts. The rules of criminal proceedings established by the Code of Criminal Procedure are mandatory for court, the Prosecutor's Office, investigators, and public prosecutors while investigating any category of crime, including the ones caused by corruption. Criminal investigations are conducted by investigators from the Prosecutor's Office, the Department of the Interior, National Security Agency, Finance Police, Customs Department, Trafficking Oversight Agency, and correctional facilities under the Ministry of Justice. The Code of criminal procedure establishes a jurisdiction on cases, that is, it determines what investigating authorities shall investigate the given case depending on different articles of the Penal Code. The law does not provide for special methods to discover and investigate crimes relating to corruption.

In Kyrgyzstan the fundamental laws against corruption are:

- The KR Criminal Code (Article 304. Conflict of interest; Article 306. Signing of contracts, realisation of state procurement to the prejudice of the Kyrgyz Republic; Article 308. Unlawful use of budgetary funds; Article 308-1. Illicit enrichment (amendment in 2012); Article 313. Extortion of bribes; Article 313-1. Acceptance of a bribe; Article 313-2. Mediation in bribery);

- The KR Law 'On Combating Corruption' which provides the formulation of corruption, determines basic principles of fighting corruption; measures towards prevention of corruption; offences which create an environment conducive to corruption (e.g. misuse of office, conflict of interest);

- KR Law 'On Civil Service' providing basic rationales, scope of application; main principles of civil service; functions and powers of civil servants; basic rights and obligations of civil servants to be based on such principles as integrity, compliance with laws, competence, transparency and openness, serving to the benefit of society and the state.

- The Law 'On Changes in the KR Code on Administrative Liability' adopted by Zhogorku Kenesh on June 12, 2014. The law specifies and accentuates the administrative liability for customs–related offences.

The legislative basis for civil society to participate in combating corruption is provided by the UN Convention against Corruption; the Istanbul Action Plan on Fighting Corruption (Art.29), and the State Strategy and Programme of the KR Government on the Struggle against Corruption. Of late the institutions of civil society in Kygyzstan have demonstrated more agility in fighting corruption. In 2011 the Anti-corruption Business Council (ABC) was established. By virtue of the December 20, 2012 a Memorandum was signed between the KR Ministry of Economics and the KR ABC an Anti-corruption Forum (ACF) was set up. It gives ongoing systemic support for society to exercise its control of the activity of government agencies; provision of a dialogue between them and civil society; monitoring and assessment of the implementation of anti-corruption policies and measures. The ACF coordinates joint activity between government agencies, local governance agencies, and institutions of civil society on the development and implementation of anti-corruption measures by the KR Government.

The main objectives of ACF are to hear the reports by the government agencies on the implementation of the government-set anti-corruption measures; preparation of alternative (shadow) reports on the part of society, primarily from the KR Anti-corruption Business Council, Social Supervisory Councils, and other NGOs; discussion of consolidated reports of the KR Ministry of Economics; elaboration of indicators and methodology of assessment, assessment of the impact of corrupt practices and corruption risks; development of a new programme and action plan with due regard to the findings from monitoring and assessment.

Other forms of participation of civil society in the anti-corruption campaign in Kyrgyzstan are: public anti-corruption expertise of the normative legal acts with a view to prevent the appearance of corruptogenic norms; social anti-corruption hotlines and counselling centres; public hearings; memorandums with government agencies on combating corruption; formation and functioning of the expert council on the issues relating to combating corruption; joint inter-agency working groups with participation of the institutions of civil society, public supervisory councils on the verification of the results obtained.

Thus the analysis of the anti-corruption strategies adopted in Kyrgyzstan allows one to single out the basic approaches in terms of anti-corruption activities, and to draw certain conclusions:

1. *Prevention of corruption through inculcation of transparency and accessibility of public administration, provision of maximum access of citizenry to information, reduction of licensing and executive functions of government agencies.* These are actions aimed at getting to the roots of corruption and conditions begetting it. As it is evident from practice, much is being done in this direction. Adopted is the KR Law 'On the Access to Special Information of Government Agencies and Local Government Agencies of the Kyrgyz Republic'. On May 3, 2014, in order to provide for the transparency of the public administration, the first pilot electronic system of state procurements was launched. Established is the Department of State Procurements whose main objective is the methodology, analysis, elaboration of the normative legal basis, and the development of the electronic system of state procurements. At present the KR Government has approved and submitted to the Zhogorku Kenesh a new Law 'On State Procurements' that envisages total transparency and public control over the process of state procurements and implementation of all the tenders on an electronic basis. The new system has been launched in six organisations by now: Power Plants OJSC, Severelektro OJSC, the National Centre of Cardiology and Therapy after M. Mirrakhimov, the Manas International Airport, Town Council of Bishkek, and the KR Ministry of Finance. In the future a large-scale introduction of this system will enable the KR to render state procurements effective and enhance transparency and accountability of the state budget at the expense of electronic filing of tender-related documentation by the purchasing organisations, electronic entries for tenders by the suppliers, and electronically done assessment of tenders and publications on the contracts signed.

And lastly, this method of fighting corruption envisages a set of preventive measures in the private sector, namely: enhancing of bookkeeping and accounting standards and audit; supporting cooperation between law enforcement agencies and private organisations; streamlining of punitive mechanisms for not observing the measures; prohibition of informal accountability and other activities.

2. *Prosecution of corruption - punitive measures*. The administration of the state promotes the application of this method to root out corruption. The KR President Atambayev A.Sh., in his speech before government officials, emphasised the urgency to apply penalties in relation to those leaders, government members, deputies, judges, prosecutors, etc. -who are linked to corruption. According to the data of the Prosecutor General's Office of the Kyrgyz Republic as at May 2012 more than 7,000 criminal proceedings had been instituted on charges of crimes against state power, interests of the public service, and local government service, with scores of top officials being made liable. The most scandalous cases were the ones of two mayors of the city of Bishkek, deputies of Zhogorku Kenesh, ministers, judges, and others. Being aware of the significance of such measures, some experts hold that this approach cannot represent a long-term concept of the struggle against corruption in Kyrgyzstan, as it cannot lead to the systemic change away from corruption. A war strategy can be a short-term half-measure of establishing order for the further quality shift of the course in the anti-corruption campaign.

3. *Restrictions mechanism -* This is a method of fighting corruption through the control of the property of government officials and the ethical code of government officials. With adoption in 2004 of the KR Law 'On the declaration and publication of information on the income, liabilities and property of persons holding political and other special government offices, as well as their close relatives', a system of openness and transparency of the revenue and assets of high-ranking and other officials, their accountability and responsibility before the people was established. Today problems exist relating to the mechanisms of prosecution for not furnishing declarations. One more restrictive tool in Kyrgyzstan is the Ethical Code for Officials, which is currently being prepared (2014). This document prescribes the detailed list and description of the dangerous corrupt deeds of officials; the norms of the mandatory integrity-based behaviour of the officials; official relationships which demonstrate and form intolerance towards both corruption and official behaviour representing danger in terms of corrupt practices.

III. Application of principles of integrity-based governance as a means to fight corruption in Kyrgyzstan

In Kyrgyzstan the year 2004 was declared to be the one of social mobilisation and integrity-based governance. The administration of the country considered integrity-based governance by means of an effective state apparatus and strong local governance to be the first steps towards sustainable development. In spite of this aspiration, neither the first nor the second President of the country was able to implement the plans for achieving considerable growth in wellbeing of the people, nor to activate in full measure the resource of social mobilisation to overcome poverty.

In subsequent years the activity of many international organisations was directed towards training about the principles of integrity-based governance in the work of government authorities:

- *UNDP, UNICEF, UNO Women, UNESCO launched a project called 'Progress of Integrity-Based Governance to Achieve Social Justice'. The purpose of the project is the institutionalisation of reforms and practices of integrity-based governance* at all levels of government and civil society with the aim of the reduction of the poverty rate, protection of human rights and sustainable development of society. Through improving the processes of integrity-based governance at the national and local levels it is intended to increase and ensure more equitable access to public services by vulnerable groups of population (target groups: women, youth and children) in 30 selected rural municipalities.

- *Eurasian Foundation of Central Asia (CAEF) initiated the project 'Access of children under hard living conditions to quality social services'* implemented with the financial assistance of the Children's Foundation of UNICEF in the KR, a joint project with the project mentioned above: 'Integrity-based governance to achieve social justice'.

- *Danish Church Assistance - developed 'Quality services to the children of internal migrants'* whose main goal is to build integrity in the areas of education and social mobilisation.

- *The international non-governmental organisation Integrity Action (formerly known as Tiri before 2012) under financial support of the British Department for International Development (DFID) led the Pro-Poor Integrity (PPI) project called 'Enhancement of Integrity in Governance'.* The goal of the project was to increase the quality of services in the areas of education, health care, social protection, water supply and sanitation as a pilot in the mountainous regions by means of introducing the principles of integrity-based governance into the activities of local governance bodies and strengthening of their interaction with civil society.

The PPI project achieved good results through the efforts of the consortium whose members included: The Academy of Management under the President of the Kyrgyz Republic (AMPKR), Public Foundation Insan Leylek, NGO Association of the Lawyers of Kyrgyzstan (ALK), Mountain Societies Development Support Programme (MSDSP KG). The project activity was carried out in the towns of Osh, Naryn, Batken, Isfana, Narynsky and Chon-Alaysky regions. The focal components of the impact on the local governance bodies were training of the government and municipal officials on integrity-based governance, development of indicators, methodology manuals on the investigation and monitoring of the integrity level; strengthening the potential of local communities and institutionalisation of joint monitoring.

To further the principles of integrity-based governance a modular programme on integrity-based governance was developed (16 modules). With their help, training was organised for officials, teachers, social workers, employees of municipal enterprises, representatives from the civil sector and judges (see Table 1).

Table 1. Main trends in teaching integrity – based governance

Students	Training Course	Trainer
1. Government and municipal officials	Fundamentals and mechanisms of integrity-based governance Methodology of teaching the basics of integrity –based governance Monitoring and assessment of the integrity level of governance	AMPKR
2. Academics of the leading universities of the Republic	Fundamentals and mechanisms of integrity-based governance Methodology of teaching the basics of integrity –based governanc Guidelines on writing real-life case studies on integrity-based governance and their application in the process of training for government and municipal officials	AMPKR
3. Representatives of civil society	Fundamentals and mechanisms of integrity-based governance Monitoring and assessment of the integrity level of governance	AMPKR
4. Representatives of municipal and regional services of social protection	Fundamentals of integrity-based governance Issues of social service Organisational and legal basis of social service» Provision of services at the local level	PF Insan Leylek
5. Judges	Fundamentals and mechanisms of integrity-based governance Monitoring of forensic services Monitoring of integrity level in governance	ALK

The exploration of the problem of service provision in education, health care, social protection, and water supply/sanitation in the pilot regions showed that the low level of services and the problems of ineffective governance require a complex analysis of the interaction of formal and informal rules and norms that regulate relationships between the state and businesses and population. The aim is to find those institutional forms which will enable the resolution of controversies that accumulated under new conditions. To achieve this goal the PPI experts carried out a series of complex measures (see Table 2.).

Table 2. Institutionalisation of principles of integrity-based governance

1. Strategy of preparation and implementation of monitoring and assessment of the integrity rate of governance

(Academy of Management and local monitoring groups):

- Conduct analysis as to the level of integrity in governance at the level of service provision policy.
- Prepare monitoring groups (composed of government and public employees, representatives of municipal enterprises and urban and regional branches of social protection, nongovernmental organisations, and population) with the aim of conducting a regular monitoring and assessment of the integrity level at government authorities.

- Develop rules and procedures concerning the implementation of monitoring of integrity.
- Teach the methods of information collection, equip the local specialists with knowledge of the guidelines of monitoring, assessment and indicators of integrity-based governance.
- Institutionalise the informal practice of monitoring and assessment of integrity in the public administration.

2. Legal strategy (NGO - Association of Lawyers of Kyrgyzstan):

- Prepare draft laws 'On changes and amendments to the constitutional law', 'On the status of judges of the KR', 'On the bodies of the judicial self-government', 'On the Supreme Court and local courts of the KR', 'On the Constitutional Chamber of the Supreme Court of the KR' and 'On the council in charge of the selection of the judges of the KR';
- Prepare recommendations on the draft laws on the introduction of changes into the laws regulating the activity of the judiciary (recommendations concern the independence of the work of the judges, the procedure of selection of candidates to the office of a judge, and

accessibility of justice for the population).
- Introduce standards of ethical behaviour of judges based on the Bangalor principles (independence, objectivity, integrity, observance of ethical norms, equality and competence)
- Provide legal support to the monitoring groups active in the pilot regions on the monitoring of the integrity level based on STOPE indicators[13]

3. Strategy of the incorporation of principles of integrity - based governance into the work of government authorities (PF Insan Leylek, MSDSP KG, Academy of Management under the President of the KR):

- Strengthen civil society through the establishment of a network of nongovernental organisations Demilgeluu Kadam and Aykyn Kyzmat, while implementing social projects in the town of Naryn, Narynsky region, the town of Osh, and the Chon-Alaysky region.
- Implement social projects in the fields of social protection, water supply and sanitation.
- Elaborate 2 standards of provision of social services: Statute 'On social protection for dysfunctional families and families with under age children living in poor social conditions'; Statute 'On the procedure of the organisation of social services home care'.
- Inform the public and discuss the developed standards of the social services jointly with the invited representatives from the KR Ministry of Social

Security of Population, employees of the regional departments of social protection with a view to develop recommendations, introduction of changes and critical observations, adaptation to the ongoing policy and processes.
- Set up committees of civil supervision in Batkensky region, Leyleksky region, and the town of Isfana. Committees of Civil Supervision are supposed to start monitoring the Centre of Family Medicine in terms of providing information within the Programme of State Guarantees on Ensuring KR Citizens with Medical and Sanitary Assistance; supply the local pharmacies with signboards informing of their cooperation with the Foundation of Mandatory Medical Support to dispense drugs on preferential terms.

4. Preparation and implementation of institutional reforms (all the members of the PPI consortium):

- Identify the informal institutions that can be formalised (Statute of social employees, Statute of qualification certificate of social employees of the KR, Institutionalisation of the monitoring of MDGs, and others).

- Determine the basic instruments and methods of implementation of institutional changes.
- Find out the costs related to the institutional transformation.

---

[13]STOPE - a system of monitoring indicators of integrity in the conduct of policy developed by international experts in the framework of PPI (Standards; Transparency and accountability; Oversight; Participatory Processes to communicate with partners. Ethical Framework- specific ethics of responsibility of civil servants

An important component of the strategy of the application of integrity principles became the introduction of the practice of joint monitoring of integrity in governance while providing services to the population. For that purpose indicators of integrity in governance over the provision of services to the population were developed and tested; monitoring groups (MG) were recruited from among the government and municipal employees, employees of municipal enterprises, NGOs and the civil society sector of the pilot regions; the MG members were taught the methods of monitoring of integrity. Monitoring of integrity in governance over the time frame of the policy implementation was conducted based on the STOPE indicators. With the adoption of the Statute of Public Monitoring over the provision of services, a mechanism of public supervision was activated over the provision of services to the population based on the developed indicators of integrity. The regular conduct of monitoring for integrity will positively influence the quality of services, which otherwise means the enhancement of the wellbeing of the citizens of our country.

Assignment

1. Write an essay or a comment using magazine or newspaper clippings. For that purpose find some articles concerning corruption, then read, analyse and write either an essay or your opinion as to the problem highlighted in it. Prepare an action plan regarding how you would try to prevent the corruption from happening again – by introducing reforms, new systems and procedures, training employees, etc.

2. Write a paper on the topic: The Kyrgyz political (public) figures and integrity in governance.

Case Study

Water flows, but little has changed (2010)

The village Daroot-Korgon and three more villages make up the Chon-Alaysky Aul district. The village is situated 320 km away from the regional centre, in mountainous terrain. Its altitude above sea level is 2,470 m. Several small mountain rivers are running through the village, with a large river Kyzyl–suu next to the village. The village of Daroot-Korgon has 12,000 inhabitants. This is the largest village not only in the Aul district, but also in the entire region. The main basis of the local economy is cattle-breeding, with some people also cultivating potatoes. The original feature of the village Daroot-Korgon is that it is not only the seat of the local governance bodies (Ayil Okmotu and Ayil Kenesh), but also the location of the regional centre, i.e., the place where the regional government administration and other government authorities (regional subdivisions of ministries and agencies) are located. The infrastructure of the village is not bad. The village is traversed by an important highway. It receives several channels of the Republican TV station, available are services of three mobile communications operators, two schools, a club, a sports complex and a regional hospital.

Such organisations as the Agency of Investments Development in Communities (AIDC) and the Agha Khan Foundation are the most active ones to participate in the implementation of different projects for local development. In the territory of the Ayil district and in the village Daroot-Korgon there are several nongovernmental organisations (the Aksakal court, youth and women's organisations, zhammats, self-help groups, and rural organisations).

For many years the residents of the village Daroot-Korgon have experienced hardships with the potable water, because their water supply system deteriorated, pipes had partial blockages, and the drinking water barely reached the villagers. To change the situation back in 2002, the Chon-Alaysky rural administration decided to join the project of the Asian Development Bank (ADB) called 'Taza suu' on the reconstruction of the water supply network of the village Daroot-Korgon. For participation in the project it was necessary for the local community to make a contribution to the amount of 1 million KSG. The villagers managed to raise as much money as 433,000 KSG, but then the fundraising got protracted. Aside from the passiveness of the residents, the complexity also consisted in that, according to the terms of the ADB, only the local community had to invest its own money into the project. No assistance from sponsors or donors was accepted, in order that people should understand how important the availability of drinkable water was, and accordingly to treasure and economise it. In 2 years it was possible to raise the outstanding amount for project 'Taza suu' to be launched.

The specialists of the project management department, rural water supply department under the KR Ministry of Agriculture, Water Economy, and Food Industry, having studied the state of affairs as at 2003, prepared a project on the rehabilitation of the drinkable water supply system in the village of Daroot-Korgon. The project included the repair works at all stages of the water supply: water intake from the source, water catchment and purification, water supply

through the water main and distribution through the street water pumps. It was suggested that the water pipeline, like before, should run along the central street of the village. The project intended to replace the old water pipes (6 km), install 30 water pumps, construct a water inlet section by means of installing an Artesian pump and a container for water disinfection. In 2003 the project management department conducted a tender and selected Azat yug, a construction company from the town of Osh, for project implementation. In 2006 the construction company carried out all the required work and handed over the project to the Commission of the Department of Rural Water Supply of the Ministry. For the operation of the water supply network in the village, a rural non-governmental association of the users of drinkable water was established (called СООППВ/ RNAUDW).

Problems with supplying the rural residents with drinkable water began right after the delivery of the project. Water coming from the water pumps proved of low quality, brackish, and so the majority of the villagers, as per the old traditions, preferred to take water from the nearby rivers and wells for household needs (cooking, laundering, etc.). Water was delivered to homes in bottles and other containers like before. In this way the residents used water throughout the summer and autumn period of 2006, hoping to use the water supply network with the coming of winter cold. As the winter set in, the drinkable water reached the pumps for a while. However, soon the water stopped running. It turned out that the water pipes at some places did not resist the cold and cracked. For those reasons the residents of Daroot-Korgon refused to pay RNAUDW the fee for services (20 KSG a month per capita), while RNAUDW in turn does not have the means to maintain the water supply network properly (payment for the power to operate the artesian pump, salary to the watchman of the water intake unit, etc). RNAUDW of Daroot-Korgon demanded that the construction company fix the discovered problems, in particular to deepen the bedding of the water pipes at some segments. Only the threat to file a lawsuit in 2009 made the construction company repair the work they had previously done. However, these works are not finished as yet, and the residents cannot use the water from the water main to supply themselves with drinkable water. Thus water in the village Daroot-Korgon is running, but little has changed in the villagers' lives.

Assignment

Questions for Case Study: "Water flows, but little has changed"

1. Consider the unscrupulous individuals directly responsible for the provision of water services for the population of the village Daroot Korgon. What is the role of each of these parties?

2. In your opinion, what other causes and conditions have occurred in Daroot-Korgon due to the situation described in the case?

3. To what extent was the project "Taza Suu" implemented with principles of good governance (control), such as:
   - compliance with standards;
   - transparency and accountability;
   - oversight of the work
   - collaboration with partners;
   - ethical standards
   - competence

Assignments for Case Study: "Water flows, but little has changed"

1. Using the material of the case, make a list of identified problems in your approach to the implementation of the project "Taza Suu" in Daroot-Korgon.

2. List what action (by whom, when and with what means) should be taken to ensure good governance and anti-corruption measures in Daroot-Korgon in the case of such projects as "Taza Suu".

The results of tasks 1 and 2 should be summarised in Table 1.

3. What are the possible problems, difficulties and obstacles in the implementation of these measures? How can they be overcome?

The results of task 3 should be summarised in Table 2.

Table 1. Plan of Action for the integrity and anti-corruption in the implementation of the project "Taza Suu" in the village Daroot-Korgon

Measures	Persons who must implement these measures	Time required for implementation of these measures	Resources needed for implementation of planned measures
1.Observance of ethical norms of behaviour			
2. Trust building			
3. Matching word and deed			
4. Abidance by law and achievement of justice			

Table 2. Possible problems, difficulties and obstacles in the implementation of the Action Plan (Table 1), and how to overcome them

	Possible problems, difficulties, obstacles	How to overcome them
1.		
2.		
3.		
4.		
5.		
6.		
7.		

Bibliography

1. Базарбаева Р.Ш. Успешная практика повышения добросовестности управления в Кыргызстане и в зарубежных странах, Б.- 2011 .

2. Байболов К. и др. Коррупция. Взяточничество. Ответственность.: Вопросы теории и практики/К. Байболов, Л. Сыдыкова, А. Сыдыков/-Б.:КРСУ, 1999.-с.99.

3. Великая личность. Воспоминания. Под общей редакцией Масалиева А.М., Б. «Учкун», 1996 г., с.14

4. Данные отчетов Transparency International,Corruption http://www. Transparency.org/ policy_research/ surveys_indices.

5. Джунушалиев Дж., Плоских В. Трайбализм и проблема развития Кыргызстана// http://www.ca-c. org/journal/cac-09-2000/17.Dzhunu.shtml

6. Илибезова Э. Коррупция в Кыргызстане. ПРООН. Бишкек.-2000.-с. 18-20.

7. Каганович А. Некоторые проблемы царской колонизации Туркестана [онлайн]. CA&CC Press, Sweden, 1998–2006 [цит. 23. 12. 2006].

8. Кокайсл П. Усманов А. История Кыргызстана глазами очевидцев. Часть 2// http://www.akipress. org/kghistory/news:13656/

9. Мурзаев С.К. Модульная программа по добросовестному управлению: Учебный модуль 5. Б. Академия управления при Президенте Кыргызской Республики, 2010 г.- 47 с.

10. Национальная стратегия устойчивого развития КР на период с 2013-2017 годы.

11. Норд Д. Институты и институциональные изменения и функционирование экономики . М:Фонд экономической книги «Начала», 1997.- с.116-118.

12. Омуралиев К.К., Меньшов В.Ю. Обзор законодательно-правовой и институциональной базы по борьбе с коррупцией в Кыргызской Республике.-Б.-2005.-102 с.

13. Отчет ПРООН «Анализ природы и масштабов теневой экономики в Кыргызской Республике». Б.- 62 с

14. Отчеты Счетной палаты КР. http://esep.kg/audit-gosfinansov/otchety-o-rezultatax-audita/

15. Урманбетова Ж. Кыргызский трайбализм: вчера, сегодня и завтра// http://www.akipress.org/kgcode/ news:13989.

16. Юсуф Хас-Хаджиб Баласагунский. Наука быть счастливым / Пер. Наума Гребнева, иллюстрации Ю. Красного. - М.: Художественная литература, 1971. -158 с.

Historical view of corruption, anti-corruption activities and integrity-building activities in Russia

Olga Litzenberger, Doctor of Historical Sciences, Professor, Head of Chair at Povoljie Institute of Management after P.A. Stolypin of the Russian Academy of National Economy and Public Administration under the President of the Russian Federation

1. The history of corruption in Russia.

A historical perspective on corruption in the country. Study of the historical roots of corruption exposes early bribery which was brought into being by a mandatory payment to the chieftain - a custom at an early stage of human history, and which later on was transformed into a custom of paying the same fee to the supreme representative of the state apparatus. In ancient Russia such contemporary manifestations of bribery or graft were not held as criminal offences and were not punishable.

Within a framework of an officially acknowledged system of support, when state officials did not get remunerations from the state, living off the gifts from the population was a part of that support system, with some benefits being taken by the Treasury. In this way, the mutual protection of capital and provincial bribe-takers was formed. The support system, however, was officially abolished back in 1556, but existed for over one century. In the process of forming different bureaucratic aspects in the 15th and 16th centuries, there also appeared prohibitions to levy surpluses above the legally established taxes. The Russian versions of the terms 'bribery' (мздоимство or

mzda'imstva) and 'extortion' (лихоимство or likha'imstva) came into use.

That different forms of corruption were quite rife in those times is attested by mentions made about them in a number of juridical and political treatises of 14th and 15th centuries. In Russian Law the first official mention of a bribe (посул or posul) as illegal remuneration for the exercise of office is made in the Dwin Statutory Code 1397-1398 and in Pskov Court Code of 1457. Back in the times of enforcement of the Novgorod and Pskov Court Codes of the 15th century the term 'posulnik' indicated a bribe-taker. In earlier legislative acts, for instance, in Russkaya Pravda, there was no such group of crimes. In later legal sources bribery becomes an individual corpus delicti (breach of the law). It was severely punished based on Codes of Law of the 15th & 16th centuries, Uniform Code 1649, Military Code of 1715, Punitive and Corrective Penalties Code of 1845, and many other legal acts.

On the national level bribery was first banned by the two articles of the Code of Laws of 1497. Article 1 of the Code of Laws of 1497 banned the taking of a bribe: 'no one

shall take a bribe for the case', while Article 67 on Bribes and Bribery prescribed: 'It shall be incumbent on… in all towns… not to accept bribes at courts'.[1] The criminals exposed in bribery were bound around the neck with the very item which they had taken as a bribe, and suffered corporal punishment. The Russian legislature of the times of Ivan the Terrible would prohibit the bribe not only on the national, but also on the local level of the authorities in charge of administration.

Far more dangerous than the conventional bribe was embezzlement - the misuse of office by the officials who not only took gifts from the population, but also misappropriated state property. When studying court precedents of those times one can draw an inference about the existence of such an official crime which was exposed as negligence by an official in relation to his official duties. For example, back in 1136 the Novgorod Popular Assembly (veche) indicted and expelled from town Prince Vsevolod Mstislavich for his negligent discharge of official duties as a ruler.

The first printed Law of the Moscow State - the Uniform Code of 1649, the adoption of which was triggered by the popular anti-corruption mutiny - envisaged application of torture and other severe penalties for bribes and other extortions. 'On Court' bribery was punished by flogging at the market place. However, harsh penalties did not reduce the number of crimes. The ambassador of the Duke of Schleswig-Holstein, Adam Oleary, described the morals of the Moscow courts: 'Although everybody is prohibited from taking bribes for fear of being flogged, bribes are still taken secretly, especially by clerks who readily take both bribes and gifts'.[2]

Emperor Peter I, in an effort to eradicate corruption, introduced in 1715, a fixed salary for state officials; however, due to the shortage of means in the treasury this measure was short-lived. In keeping with the laws of those times, taking small bribes was subject to corporal punishment. Major bribes in many cases entailed qualified types of capital punishment. The country was engaged in building a new system of state power, governance, and combating corruption. Peter created bodies designed specifically for ensuring the rule of law: institutions of Fiscal Agents, Financial Managers (*pribylshiks*), Prosecutor's Office and Ruling Senate that exercised supervision over the government apparatus and officials. This oversight was carried out by the fiscal agency - internal secret shadowing of officials of all ranks by specially paid whistle-blowers. However, the pro-western bureaucracy created by the Emperor proved inseparable from the always baneful element of the Russian administrators - corruption. Historians cite the acrimonious legend that once at the Senate, when listening to the reports on embezzlements from the exchequer, the Emperor lost his temper and right away ordered to make a decree saying that whoever robbed from the fiscal authority (i.e., the Roman Treasury) anything for the price of a rope shall be hanged for it immediately. The General Prosecutor P.I. Yaguzhinsky replied: 'You are running the risk of staying alone, my dear fellow, without subjects'.

Empress Ekaterina II, when coming to the throne had to admit that 'in our state, bribery has increased' and that 'judges have made their office into a bargaining place'. One of the first laws passed by the Empress was the decree on prevention of bribery among officials and judges of 18 July 1762. The legislature of the Ekaterinian period endeavoured to enhance the moral level of administration, instil into officials a more elevated concept of their tasks and duties. The statute of Good Demeanor in 1782, among the basic principles for the official to be guided by, formulated an 'endeavor toward common good', 'integrity and disinterestedness'. Article 15 of the statute warned against inadmissibility of bribery: 'Abstention from bribes, for it blinds the eyes, depraves the mind and the heart, and keeps people silent. Peter managed to root out bribery by cruel laws, while Ekaterina II acted pursuant to ideas of the 'Enlightened Absolutism', prioritising the moral and ethical measures. Still, neither repressions by Peter the Great nor the method of moral influence by Ekaterina the Great proved enough to totally eradicate corruption. On the one hand, the approaches by Ekaterina II in combating corruption were fairly efficient, on the other hand, it was impossible to completely preclude bribery among officials; on the contrary, a new system of abuses of office was formed - a system of collective corruption and corruption among high-ranking government officials. In addition, the grave financial situation of the country led to the legalisation of bribery in government agencies.[3]

In the 19th century, according to chapter six 'on extortion and bribery' of the Punitive and Corrective Penalties Code 1845, the official and his households who took gifts or money had to give them back not later than within 3 days time after they had taken them. In case the bribe was accepted, the bribe-taker had to pay a penalty double the price of the gift and was stripped of the right to hold the respective position. However, as the central government became more powerful, corruption remained an inalienable part of the existence and activity of the entire bureaucratic machine. The Criminal Code of 1903 did, however, differentiate between the notions of bribery and extortion.

Under the Soviet power, liability for bribery was stipulated in the Decrees of 8 May 1918 'On bribery' and of 16 August 1921 'On combating bribery', in the Criminal Codes of 1922, 1926, and 1960. The 1926 Criminal Code of the Russian Soviet Federative Socialist Republic (RSFSR) envisaged two years imprisonment as a sanction against bribery, while under aggravating circumstances the court could even condemn the defendant to capital punishment. However, the top party bureaucracy was immune from prosecution while the fight against corruption bore a rather ostentatious character and was used for political purposes as a reprisal against dissenters.

Over the period of "stagnation" (the 1970s), corruption reached unprecedented magnitude and recompensed the low salaries of officialdom. Until the 1980s, the issue of corruption was not openly raised, and the grassroots were accustomed to the concept that corruption was typical of bourgeois society only. However, from the mid-1950s

[1]Russian legislation X-XX centuries. In 9 volumes. T. 5. Legislation heyday of absolutism, 1987.

[2]Oleary A. *Description of a journey to Muscovy/ Trans*. A.M Lovyagin. Smolensk: Rusich, 2003.

[3]Pisarkova LF. *State Administration of Russia since the end of the seventeenth century to the end of the eighteenth century: the evolution of the bureaucratic system*. Moscow, 2007.

through 1986 the number of corruption-caused crimes increased by 25 times.[4] Throughout the 1970s and 1980s under the conditions of total deficit on goods, corruption struck yet deeper roots routinely. In 1999 the Russian Deputy Prosecutor General U. Chayka declared that Russia was among the ten most corrupted countries of the world, with corruption to be one of the most destructive features of the Russian state.[5] The 1996 Criminal Code specified on the legislative level the formulations of a bribe and corpus delicti (breach of law) of corruption-caused crimes. However, the new Criminal Code of Russia does not mention corruption, without considering corruption-related mediation as an individual body of a crime, a thing that was accepted by all the preceding Criminal Codes of 1922, 1926, and 1960.

Local aspects of the causes and consequences of corruption over time. Different manifestations of what is perceived to be corruption currently have been considered a norm from the moment the Russian State came into being. Throughout the history of the Russian State, for quite a long time, it was not considered a crime for the official to take, directly or through a mediator, a bribe in the form of money, property or privileges of a proprietary nature, just like it was not a crime to give a bribe. Therefore the tradition to get a "lucrative post" where one could profit at the expense of the citizens is still rife in the minds of the Russians.

Throughout Russian history, corruption as an antisocial phenomenon was fairly popular both among government authorities and was quite routine. Different features of corruption for centuries remained the typical trait of the evolution of the state. The periodic struggle against corruption did not bear a systemic character. As Russian history bears out, episodic resistance to corruption did not have any practical results. That is why the contemporary struggle against corruption will not yield any results either, unless there have taken place changes in public awareness.

The main reasons for the inseparability of corruption with modern Russian conditions are:

1) Economic reasons, 'interpenetration' of business and power;
2) Imperfection of the legislation (falling short of international standards, conflicts, etc);
3) Insufficient policy in terms of implementing the reforms in Russia, primarily in the areas of judiciary and governance;
4) Certain lack of oversight and responsibility in some government bodies;
5) lack of involvement from and low capacity of the institutions of civil society;
6) Low legal awareness of society.

Formation of civil society as well as resistance to corruption in Russia have difficulty progressing. The population is passive, while it is unprepared for the actions of other parts of society. There are several reasons for this. They are the

result of the entire historical development of the country, long decades of totalitarianism which have left an indelible imprint on the lifestyle of all social groups. Corruption cannot be overcome without the involvement of such institutions of civil society as free media and independent, politically active nongovernmental organisations. According to the report of the Public Chamber in 2012 the major reason for corruption in contemporary Russia is admitted to be the failure of any civic engagement or oversight regarding the activities of government at all levels. Corruption has assumed a systemic character, destroying the economy and the law, housing and communal services, health care, education, and other spheres of societal activities.[6]

Major corruption scandals. In modern Russia the most vulnerable structures in terms of corruption are the customs authorities, revenue and law enforcement bodies, officialdom, and educational institutions. Ratings of ongoing corruption vary. As many analysts state, Russia is one of the most corrupt states globally with position 143 out of 182 in 2011, as per the Corruption Perceptions Index rating by Transparency International, while in 2013 it occupied the 127th position. Only due to the deterioration of the results of a number of other states on the global list was Russia able to climb up six positions over the past several years.

Broad public resonance was produced by the corruption scandal in the Ministry of Defence of the Russian Federation and commercial structures linked with it (Oboronservis) which caused the Defence Minister A. Serdyukov to resign in November 2012. Another high-ranking official in contemporary Russia indicted on a charge of corruption was the Minister of Justice V. Kovalev who in 2011 was found guilty of embezzlement of property entrusted to him, and of repeatedly taking grand bribes. One of the most famous officials whose family assets (over one billion dollars) allegedly belonged to his wife, was the ex-mayor of Moscow Yury Luzhkov. The most vibrant anti-corruption campaigns of 2011–2014 proved also the so-called "gambling case" of a large-scale gambling business in the suburbs of Moscow which was patronised by the prosecutors of the area. The Roskosmos case (GLONASS - GLObal NAvigation Satellite System), the Summit ATES-2012 case, the Rosagroleasing (Agro Industrial Leasing Company) case (which cost the budget 30 billion rubles in losses), the RusHydro (Russian Hydroelectricity Company) case, the Rosreestr (Federal Service for State Registration, Cadastre and Cartography) case, the Rosrybolovstvo (Russia's Federal Fisheries Agency) case, and others were exposed, as well.[7] For all that, many top officials who were initially held criminally liable eventually managed to evade liability. According to the official statistical data, over the past years around 800 high-ranking officials and leaders of regional administrations were dismissed from their offices on charges of corruption.

[4]Maksimov concept of corruption in the international and Russian law // Law and Security. 2002. No.2-3.

[5]News. February 3, 1999.No.

[6]Report on the effectiveness of the Russian Federation, anti-corruption measures and the participation of civil society in the implementation of anti-corruption policy. Public Chamber 2011.

[7]www.m24.ru; www.svoboda.org; police-russia.info; korrosia.ru и др

2. The development of anti-corruption activities in the country

The establishment of entities with goals of fighting corruption (government, civil society, business) and their main activities. In the Russian Federation there are scores of official public entities - Committees, Councils, Commissions - dedicated to fighting corruption. There are also several hundred officially registered non-governmental organisations and businesses declaring anti-corruption activity to be their mission.

One of the first non-governmental organisations created with the aim to eliminate conditions contributing to fostering corruption, was the National Anti-corruption Committee registered in 1999 by 36 famous Russian public figures and politicians, most of whom formerly had been members of Government and held offices in the state apparatus. The Committee does not have an official Internet site.

In 2004 an all-Russian non-governmental organisation was set up. It was titled *"Public Commission on Fighting Corruption"*. Its main goal is to consolidate the general public towards supporting the law enforcement agencies in combating corruption and discovering cases of corrupt practices and conflict of interest by government officials. The Commission has regional chapters throughout 46 constituent territories of the Federation.[8]

In 2004, with a view to organise scientific research and implement applied scientific projects within the framework of anti-corruption programmes, a specialised independent non-profit commercial organisation was created called the *National Anti-corruption Council* (NAC). It was composed of leaders of and representatives from non-governmental anti-corruption organisations as well as representatives of

socio-political movements.[9] That Council was exercising functions of an executive non-governmental entity in charge of the implementation of anti-corruption policy of the state.

In 2005 the NAC established its filial agency - a non-profit independent organisation, the A*gency for Fighting Corruption in the Russian Federation*. The Agency was aimed at providing support by civil society to the President of the Russian Federation, state administration and local governance authorities towards implementing the state policy on combating corruption.

Throughout 2003-2007 the Council on Fighting Corruption acted under the President of the Russian Federation. On May 19, 2008 by the Russian Federation Presidential Decree №815 'On Measures to Combat Corruption', a consultative council under the President was established, which was titled The Council for Combating Corruption under the Russian Federation President. Among the main tasks of the Council are the preparation of proposals on the elaboration and implementation of state policy in the area of combating corruption and coordination of activities of government agencies at all levels during this process. In 2008 the Council developed a National Plan of counteracting corruption, which was enacted.

Within a framework of legislative bodies of the Russian Federation act The State Duma Committee on Security and Combating Corruption, The State Duma Commission on Supporting the Fight against Corruption, and The State Duma Commission on Combating Corruption, which were established for the purposes of activities towards combating corruption in the federal agencies of the state, agencies of the state in the federal constituent territories, and local governance authorities.

[8]http://www.korupcia.net/
[9]*Ibid*.

Among non-governmental organisations one can single out the *Sub-commission of the Public Chamber on the Issues of Combating Corruption in the Russian Federation*, whose mission is to conduct public anti-corruption expertise of the federal and regional draft laws and effective laws. At the Russian Federation Public Chamber a hotline called "*Stop Corruption*" also operates.

One of the leading positions among non-governmental organisations is held by the Centre of Anti-corruption Initiatives and Studies of Transparency International-Russia (TI-R). It was created with the aim of establishing an integrated national anti-corruption system which would solve three blocks of problems: building an anti-corruption outlook and legal awareness with the citizenry, institutionalisation of transparency and prevention of corruption through ensuring the effectiveness of anti-corruption tools. The TI-R implements programmes in Russia on 'Building the Anti-corruption Worldview and Legal Awareness with the Citizens', 'Mass Media and Journalist Investigations', 'Special Anti-corruption Studies', and others.[10]

A branched network of non-governmental organisations was created by the so-called *Russian Anti-corruption Partnership composed of the following founding organisations*: the Partnership on Combating Corruption in Samara Region, the Coalition against Corruption in Tomsk Region, the Anti-corruption Coalition of Primorye, and the Coalition on Combating Corruption in the Irkutsk Region. The Partnership sets a goal to unite the forces of civil society of different Russian regions to fight corruption by means of exchanging information and experience relating to implementation of anti-corruption programmes and measures.

Availability of such organisations in Russian regions led to the establishment of an Interregional Social Movement *'Against Corruption'* and Interregional Non-governmental Organisation *'Committee on Fighting Corruption'*.[11]

The activities of the Interregional Non-governmental Organisation operating since 2004, involve experts, people from the business community, science, and intellectuals. The INGO *'Social Anti-corruption Committee'* is expanding the network of regional chapters in major Russian cities, consecutively shaping a real and workable structure which actively collaborates with the powerful in terms of fighting corruption.[12] There is also the Moscow District NGO 'Anti-corruption Committee' and many others.

In all the federal territories of the Russian Federation there are specialised anti-corruption agencies or other ones which are in charge of the functions imposed on them by special legal acts.

However, contemporary Russian society for the most part does not trust the efforts by powerful politicians or business people, or government agencies towards curbing corruption. The majority of citizens does not feel able to organise their own lives, do not believe in the possibility of their personal impact on the powerful. The capacity of the NGOs, the Public Chamber, social councils at the Russian Department of the Interior, and other Ministries is not used in full measure, because there are objective disproportionate relationships between the powerful and society which is due to the fact that the initiatives of the powerful have undoubtedly more chances to prevail.

Specific legislation, laws, regulations. In the Russian Federation basic legislative and legal frameworks exist and function to combat corruption. Of key importance was the introduction in 1991 of a legislative prohibition of simultaneous holding of a government office and entrepreneurship. In 1992 for the first time in modern Russian history a standard act was published which officially admitted the fact of the existence of corruption in our country, and declared war on it: the Presidential Decree 'On the Fight against Corruption in the System of the State Administration'.

The effective Russian Federation Criminal Code adopted in 1996 does not mention the term 'corruption' and in this way opened certain possibilities for a fairly effective struggle against most of its manifestations. A serious anti-corruption plan was laid down in the concept of the administrative reform in the Russian Federation, and the plan of events towards its implementation, were approved by the October 25, 2005 resolution № 1789-p of the Government of the Russian Federation, as well as in the section of the legislation of the Russian Federation regulating the issues relative to the government service.

Federal Laws № 40-ФЗ and № 125-ФЗ adopted on March 8, 2006 and July 25, 2006 respectively, ratified the international treaties signed by Russia prior to that: the UN Convention against Corruption and the EU Convention on the Criminal Liability for Corruption. The accession to the above conventions has implications for Russia not only in terms of its international liabilities, but also in terms of the development of the Russian legislation where the basic provisions of the conventions must be fixed.

The modern trends of the formation of Russian law against corruption are linked with the systemisation of anti-corruption legislation; the Federal Law 'On Fighting Corruption'[13] enacted in 2008 launched this painstaking process. Modern lawyers, when studying the Federal Law 'On Fighting Corruption', emphasise the wanting character of solutions suggested by the given act to the existing problems.

A significant drawback to the document is that it lacks a conceptual definition. Taking into account the fact that other Russian standard acts, too, do not provide a definition, one has to note certain vagueness of this Law. Significant differences in the interpretation of corruption exist among the various states and international organisations, which generally makes it difficult to work on anti-corruption.[14] Another setback to the Law 'On Fighting Corruption' seems to be the ambiguity of the key provision

[10]www.transparency.org.ru

[11]com-cor.ru

[12]www.stopcorruption.ru

[13]On Combating Corruption: The Federal Law of 25.12.2008 № 273-FZ // Parliamentary newspaper. 2008. № 90.

[14]I.S Vlasov. M., Ed. *The criminal legislation of foreign states in the struggle against corruption.*/2009. p.7.

on the role of society in fighting corruption. Besides, the non-specificity of provisions on the anti-corruption body as the subject of anti-corruption policy witnesses to the fact that the Law does not shape the main mechanism of combating corruption.[15] The terminology of the Law 'On Fighting Corruption' significantly differs from that of the 27.07.2004 Federal Law N 79-ФЗ 'On the Civil Service of the Russian Federation', which also can be viewed as a contradiction.

The above circumstances allow one to argue that the further systematisation of the Russian Federation anti-corruption legislation is related to the solution of problems which can be grouped in two clusters:

• conceptualisation of legislation, removal of contradictions;

• Formation and reformation of legal institutions dedicated to fighting corruption.

As regards the solution to the first problem, it is necessary to develop the system of definitions and terminology that would more completely reflect corruption as an anti-societal phenomenon. Liability for anti-corruption offences should be mainly understood as a criminal liability. Nevertheless the effective Criminal Code of the Russian Federation does not contain the term "corruption", to say nothing of the similar *corpus delicti* (breach of law). The types of crimes which in their nature are largely corruption-caused are scattered over different chapters and even different sections of the Special Part of the Criminal Code. Certain problems in terms of law enforcement also arise while defining the subject of bribes.

The national plans of combating corruption were approved in 2008, 2010 and 2012. The National Plan for Combating Corruption for 2012-2013 highlights the problems of elimination of some lacuna and contradictions relating to the legal regulation of anti-corruption activities and adjusting the Russian anti-corruption legislation to meet the international legal norms.[16]

Special laws on combating corruption have been enacted in all the federal territories of the Russian Federation,[17] with the exception of the City of Moscow. Moscow's legislative authorities failed to approve an autonomous law; instead they realised respective legislative powers through the introduction of changes into legislative acts relating to the issues of combating corruption. When comparing the local and the federal legislatures, analysts note discrepancies with the federal law in terms of definitions and categories; lack of specificity of measures, directions, and principles of combating corruption on the level of local laws.[18]

On the whole, one can surmise that the process of formation of the national anti-corruption legislation cannot be considered finalised. One can draw inferences about the imperfection and insufficiency of the Russian legislation

which would enable the proliferation of corruption. Therefore at this stage it is necessary to meticulously take stock of the effective legislation, and to remove all the loopholes for corruption, to eliminate contradictions revealed over law-enforcement practice, and lastly, to provide professional expertise as to how corruption-friendly laws can be improved.

Examples of anti-corruption activities implemented. In spite of the existing problems and hardships, one can point out a whole series of positive results in terms of implementation of the ongoing anti-corruption projects in different areas of Russia: legislation, organisational, political, educational, administrative, and others. Although Russia is just at the beginning of the road, the state is actively creating conditions for combating corruption and ensuring social participation in this process.

The most important positive examples of anti-corruption activity in the legislative area are:

• laying foundations of the legal regulation of anti-corruption activities;

• Ratification of some international conventions on combating corruption;

• elaboration and introduction of departmental programmes on combating corruption;

• Legislative and administrative handling of the organisational side of the allotment of state orders;

• Incorporation of anti-corruption expertise into standard acts and their drafts.

In organisational and political terms:

• Creation of authorised agencies on combating corruption;

• Reformation and enhancement of the law-enforcement and judiciary systems;

• Introduction of anti-corruption mechanisms into the personnel policy of all government agencies;

• Provision of feedback mechanisms for customers to use in communication with the public services;

• approve the list of offices exposed to the danger of corrupt practices.

In moral and educational spheres:

• Education reform and introduction of a uniform state examination;

• Inculcation of programmes on ethical education for government officials;

• organisation of permanent workshops on ethical issues for government officials;

• Introduction in the Russian universities of a special course on the fundamentals of anti-corruption activities;

---

[15]Sulakshin S.S., Akhmetzyanova I.R., Vilisov M.V., Maksimov S.V., Sazonov ES., *The doctrine of state policy of combating corruption and the shadow economy in the Russian Federation (project layout).* Moscow, 2009.

[16]On the National Anti-Corruption Plan for 2012-2013 and amendments to some acts of the President of the Russian Federation on combating corruption: the Presidential Decree of 13.03.2012 № 297 // Meeting of the legislation of the Russian Federation. 2012. № 12. Art. 1391; The National Anti-Corruption Plan (Presidential Decree of 31 July 2008) // the Russian newspaper. 5 August 2008.

[17]See., Eg: Law of the Moscow region on April 10, 2009 № 31/2009-OZ, "On measures to combat corruption in the Moscow region" // Daily News. Moscow. April 22, 2009 № 76; Law of Primorsky Territory on March 10, 2009 № 387-KZ "On Combating Corruption in the Primorsky Territory" // Bulletin of the Legislative Assembly of Primorsky Krai. 2009. № 104 and others.

[18]Analysis of the practice implementation of anti-corruption programs in Russian regions. Analytical Report. Supervisor. T.J Habrieva. M., 2012. S. 24

- publication in mass media of materials on corruption, its harm and ramifications for society, the state, and citizenry, and generally on combating corruption.

In terms of interaction with the structures of civil society:

- Involvement of the institutions of civil society in anti-corruption activities, and ensuring of transparency in the state administration;
- state support for establishing an all-Russian network of non-profit organisations dedicated to fighting corruption;
- use of the Internet towards furnishing information on the activities of government agencies, ensuring access to sources of information, involvement of citizens in the process of project assessment, decision-making, supervision over their implementation;
- ensuring of citizens' access to information about the activities of the government agencies, especially of the executive;
- Facility for complaints and applications furnished by citizens to the executive body;
- Arrangement of hotlines and helplines, setting up dispatching services.

The success of many of these measures and achievement of tangible results are limited when relating to rules, regulations, legislation, etc. However, success for some of the other above-mentioned activities such as allowing civil society organisations to flourish and engaging citizens, as well as increasing transparency with accountability, will be largely contingent upon changes in the political culture of the Russian state which is going to be a rather long-term and laborious process.

3. The Introduction of integrity activities into Russia.

Organisations active in integrity issues, and their main activities in Russia. Among Russians, the notion of integrity is not used in political journalism or generally, and has not been introduced into scientific circulation. There is no unique and definite translation of this term into Russian. Within the explored context, the most commonly used translated term «добросовестность» is a moral and ethical category and is not applied either in official documents or criminal or administrative legislation. Furthermore, it does not encompass all the facets of the English term integrity. The closest in meaning to
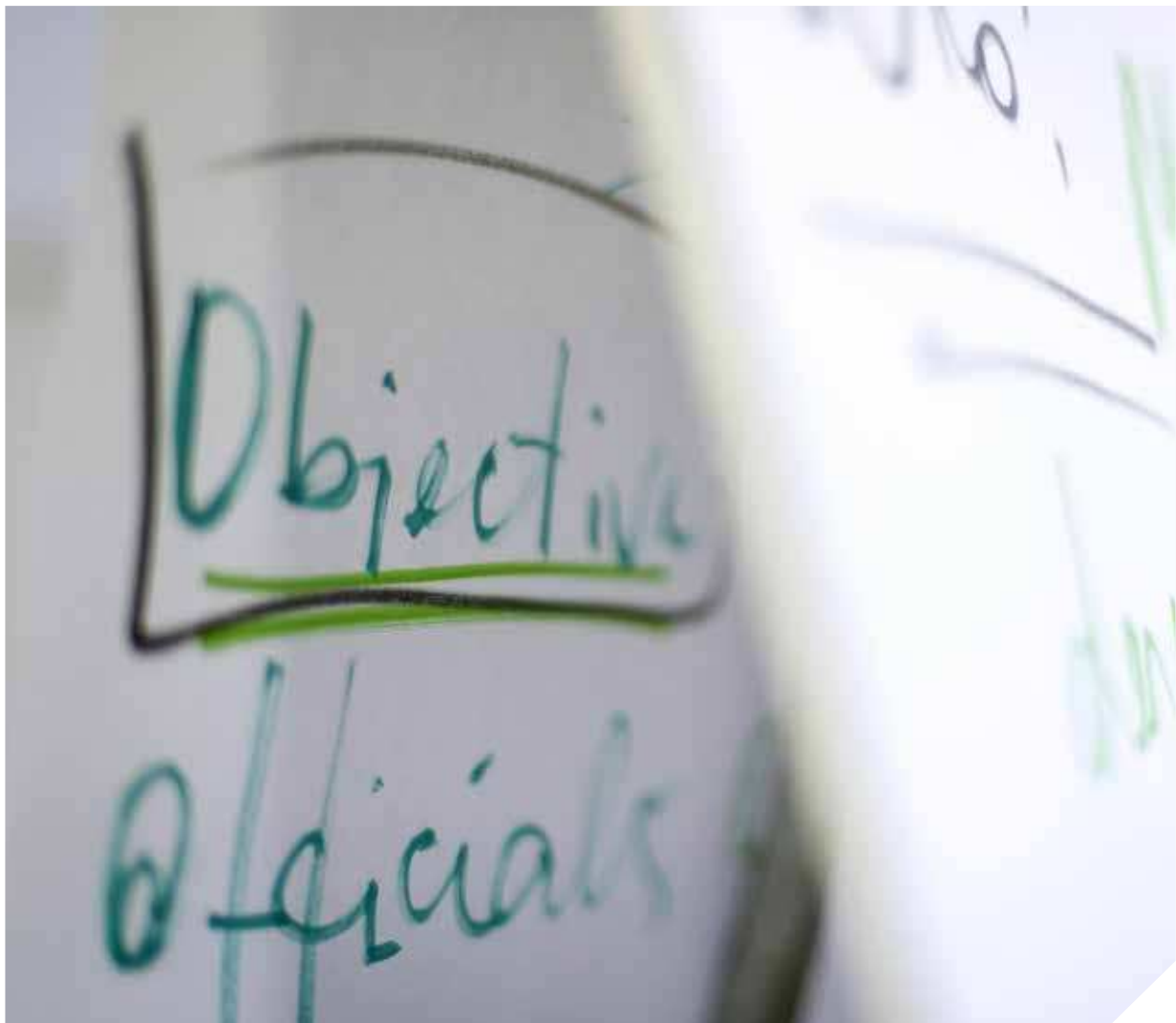
Russian equivalents of the term integrity are the most frequently used terms «антикоррупционное поведение» (anti-corruption behaviour), «антикоррупционное воспитание» (anti-corruption education), «антикоррупционная деятельность» (anti-corruption activities), «антикоррупционный стандарт поведения» (anti-corruption standard of conduct), «формирование антикоррупционного поведения» (formation of anti-corruption behaviour), «противодействие коррупции» (opposition to corruption), «борьба с коррупцией» (the fight against corruption). Therefore virtually all organisations dedicated to the issues of integrity use in their designations and rhetoric the word corruption, «борьба с коррупцией» (the fight against corruption) and «противодействие коррупции» (opposition to corruption). The term itself «антикоррупционное поведение» (anti-corruption behaviour) is much larger than just the fight against corruption and often includes some of what is implied by the English term integrity.

On the whole, the individual forms and methods of the formation of anti-corruption behaviour are actively used by different entities. President, Government, Federal and local executive and administrative bodies, military and policing agencies provide the whereabouts for the citizens to apply via Internet to report incidents relating to corruption and conflicts of interest.[19]

However, the official portal named 'Open Government' is doing its proactive job. Within the Popular Front, under the President, the activists are united into an association, and there are public advice services at ministries. Evidently, for the time being, cooperation is largely initiated by the government structures and the top officials of the state. For the effective introduction of Integrity it is necessary to provide for such a form of interaction between the state and society which is characterised by an extensive utilisation of the tools of societal oversight, quality feedback, transparency of both governmental and non-governmental structures, as well as absence of administrative hurdles. Such a mechanism of interaction between the state and society will: strengthen new policies, enable a rise in the level of confidence of the population in the government, create a positive experience of cooperation between government agencies and entities from civil society, and foster the awareness of genuine participation of the population in the administration of the state.[20]

Among Russian non-governmental organisations active in the area of integrity are: the Russian Federation Public Chamber's Commission on Public Oversight of Activities of Law-Enforcement authorities, Military and Policing Branch, and Reformation of the Judiciary; Russian Lawyers' Association for Human Rights, All-Russian Non-governmental Organisation of Borrowers and Investors; Moscow Bureau on Human Rights; the

Russian Federation Chamber of Commerce and Industry's Department of Economic Security and Fighting Corruption; National Rating of Procurement Transparency; the INDEM Foundation("Information Science for Democracy", established in 1990, one of the first Russian NGOs); Autonomous non-profit organisation Union Expertise at the Russian Federation Chamber of Commerce and Industry, and others.

Over the past years considerable efforts have been made in Russia towards the dissemination of integrity. This process involves ever more engagement of the population; the following activities have emerged and gained popularity:

- Formation of institutions of public experts;

- helplines ("hotlines");

- establishment of public offices that receive a large number of applications and petitions reporting about violations of professional ethics, human rights, etc, from citizens and juridical persons;

- monitoring of mass media information, the results of which are reported to government agencies;

- Conveyance of petitions to government agencies for the purposes of protection of human rights;

- Legal education and instruction of the population with the aim of upholding ethical legal frameworks.

At the same time, in these activities certain problems are visible which diminish the degree of participation of society:

- Failure to understand by some state authorities and local governance agencies the importance of the participation of non-governmental organisations in the given processes;

- Public associations lack necessary organisational, material and technical resources to implement effective advocacy of integrity;

- The declarative character of activities of a number of organisations, which, in practice, undermine trust in the participation of society in the dissemination of the ideology of integrity.[21]

Still we will venture to express a reserved optimism as to perspectives of the dissemination of integrity-related ideology in the Russian Federation. Taking into account the development of society within the near future, certain shifts in public awareness are expected to happen; the powerful have to be taken under the control of society; a gradual retreat from the reverence of power has to be put in place. The current low-level recognition and public awareness of the fact that the problem of corruption cannot be solved through the repressive tactics of the state only, will inevitably lead to the participation of all institutions of civil society in this process, and will be conducive to the further raising of public awareness.

[19]Russian Prosecutor General's Office: http://www.genproc.gov.ru; The Federal Security Service of Russia: http://www.fsb.ru; The Ministry of Internal Affairs of Russia: http://forum.mvd.ru; Russian Ministry of Defense: http://www.mil.ru; Ministry of Justice of Russia: http://www.minjust.ru; The Ministry of Education and Science of Russia: http://www.mon.gov.ru; Russian President: http://president.kremlin.ru; The Russian government: http://www.government.ru; Federation Council of Russia: http://services.council.gov.ru; The State Duma of Russia: http://www.duma.gov.ru.

[20]Shtepa MA Optimizing the socio-administrative mechanism for combating corruption in the Russian society: socio-cultural aspect. The author is a candidate for doctor of sociological sciences. Maikop, 2013. C. 4.

[21]Shapkina EA The constitutional foundations of cooperation between the state and civil society in anti-corruption investigation. 2013. № 8 (184).

Bibliography of the Russian Federation

Normative legal acts of the Russian Federation

1. О противодействии коррупции: Федеральный закон от 25 декабря 2008 г. № 273-ФЗ // СЗ РФ. 2008. № 52. Ст. 6228.

2. Об антикоррупционной экспертизе нормативных правовых актов: Федеральный закон от 17 июля 2009 г. № 172-ФЗ // СЗ РФ. 2009. №31. Ст. 3448.

3. Национальный план противодействия коррупции (утв. Президентом РФ 31 июля 2008 г.) № Пр-1568 // Рос. газ. 2008. 5 авг.

4. О Национальном плане противодействия коррупции на 2012-2013 годы и внесении изменений в некоторые акты Президента Российской Федерации по вопросам противодействия коррупции: Указ Президента РФ от 13.03.2012 № 297 // СЗ РФ. 2012. № 12. ст. 1391.

5. Стратегия национальной безопасности Российской Федерации до 2020 года: Указ Президента РФ от 12 мая 2009 г. № 537 // Рос. газ. 2009. 19 мая.

Scientific literature

1. Айрапетян Э.С. Причины и условия, порождающие коррупцию в Российской Федерации в современных условиях // Актуальные вопросы юридических наук. Челябинск, 2012.

2. Анализ практики реализации программ противодействия коррупции в субъектах РФ. Аналитический доклад. Научн. рук. Т.Я. Хабриева. М.: Общественная палата, 2012.

3. Антикоррупционная политика / под ред. Г. А. Сатарова. М., 2004.

4. Богданов И.Я. Калинин А.П. Коррупция в России: Социально- экономические и правовые аспекты. М., 2001.

5. Даурова Т.Г. Основные проблемы борьбы с коррупцией в современной России // Ответственность власти пред гражданским обществом. Саратов, 2013.

6. Доклад об эффективности проводимых в Российской Федерации антикоррупционных мероприятий и участии институтов гражданского общества в реализации антикоррупционной политики. Общественная палата, 2011.

7. Кирпичников А.И. Взятка и коррупция в России. СПб., 2008.

8. Клюковская И.Н. Современное состояние коррупции в России и проблемы ее предупреждения. Ставрополь, 2001.

9. Колосова Н.М. Лоббизм и коррупция // Журнал российского права. 2014. № 2.

10. Коррупция и борьба с ней. М., 2000.

11. Коррупция: политические, экономические, организационные и правовые проблемы / Под ред. В.В. Лунеева. М., 2001.

12. Кудрявцев В.Н., Лунеев В.В., Наумов А.В. Организованная преступность и коррупция в России (1997-1999). М., 2000.

13. Максимов С.В. Коррупция. Закон. Ответственность. М., 2008.

14. Максимов В. Понятие коррупции в международном и российском праве // Право и безопасность. 2002. №2-3.

15. Максимов С.В. Предупреждение коррупции. М., 2006.

16. Ноздрачев А. Ф. Коррупция как правовая проблема в вопросах и ответах // Адвокат. 2007. № 10.

17. Основы противодействия коррупции (системы общегосударственной этики поведения) / Науч. ред. С.В. Максимов. М., 2000.

18. Писарькова Л.Ф. Государственное управление России с конца XVII до конца XVIII века: Эволюция бюрократической системы. М., 2007.

19. Прозументов Л.М. К понятию «коррупция» в российском уголовном законодательстве // Современное состояние и проблемы развития российского законодательства. Горно-Алтайск, 2010.

20. Просандеева Н.В. Противодействие коррупции: правовые системы в истории // История государства и права. 2014. № 2.

21. Российское законодательство X–XX веков. В 9 томах. Т. 5. Законодательство периода расцвета абсолютизма. М., 1987.

22. Роуз-Аккерман С. Коррупция и государство. Причины, следствия, реформы. М., 2003.

23. Соловьев В. Империя коррупции. М., 2014.

24. Социология коррупции. Материалы научно-практической конференции. М., 2003.

25. Сулакшин С.С., Ахметзянова И.Р., Вилисов М.В., Максимов С.В., Сазонова Е.С. Доктрина государственной политики противодействия коррупции и теневой экономике в Российской Федерации (макет-проект): Монография. М., 2009.

26. Тимофеев Л.М. Институциональная коррупция: Очерки теории. М., 2000.

27. Уголовное законодательство зарубежных государств в борьбе с коррупцией / Под ред. И.С. Власова. М., 2009. С. 7.

28. Хабриева Т.Я. Коррупция и право: доктринальные подходы к постановке проблемы // Журнал российского права. 2012. № 6.

29. Цирин А.М. Противодействие коррупции в Российской Федерации: проблемы правового регулирования // Журнал российского права. 2012. № 12.

30. Шапкина Е.А. Конституционные основы взаимодействия государства и институтов гражданского общества в противодействии коррупции // Следователь. 2013. № 8 (184).

31. Шиндяпина Е.Д., Примаков Д.Я., Черепанова Е.В., Белоусова О.В. Механизмы противодействия коррупции в публично-правовой сфере // Журнал российского права. 2012. № 12.

32. Щедрин Н.В. О законодательном определении коррупции // Актуальные проблемы борьбы с коррупцией и терроризмом в России на современном этапе. Красноярск, 2009.

33. Штепа М.А. Оптимизация социально-управленческого механизма противодействия коррупции в российском обществе: социокультурный аспект: автореферат дис. ...кандидата социологических наук. Майкоп, 2013. С. 4.

34. Юсупов М.Р., Минин А.Я. Противодействие коррупции институтами гражданского общества. М., 2009.

Online resources

1. Генеральная прокуратура России:
www.genproc.gov.ru

2. Федеральная Служба Безопасности России:
www.fsb.ru

3. Министерство Внутренних Дел России:
forum.mvd.ru

4. Министерство Обороны России:
www.mil.ru

5. Министерство Юстиции России:
www.minjust.ru

6. Министерство Образования и Науки России:
www.mon.gov.ru

7. Президент России:
president.kremlin.ru

8. Правительство России:
www.government.ru

9. Совет Федерации России:
services.council.gov.ru

10. Государственная Дума России:
www.duma.gov.ru.

11. www.m24.ru; www.svoboda.org; police-russia.info; korrosia.ru и др.

12. www.korupcia.net/

13. www.korupcii.net/

14. www.transparency.org.ru

15. com-cor.ru

16. www.stopcorruption.ru

Assignment

(Use these after you have learned about integrity in the main section of the textbook)

1. While considering the anti-corruption policy, the Russian scholars K. Golowshinsky and S. Parkhomenko single out three significant strategies, and we have added a fourth:

   a) Prevention (eliminate the causes of corruption);

   b) War (punish all corruptionists);

   c) Passive resistance (to do nothing - the market itself will reduce corruption to the optimum sizes).

   d) An integrity approach (citizen engagement, monitoring, implementing accountability, being competent and ethical, positive incentives, using alternative conflict resolution methods, taking into account that rules aren't always implemented as written).

What are the advantages and disadvantages of each strategy? Bring distinct examples from the Russian context to illustrate all of the four strategies.

2. Make up a glossary and supply definitions of the following concepts: administrative resource,[23] accountability, anti-corruption policy, anti-corruption behaviour, anti-corruption strategies, citizen engagement, civil society, compliance approach, conflict of interest, corruption, ethical competence, gender equality, integrity approach, transparency. *Note that this is an 'honour assignment' - we ask you to complete the assignment without using outside resource material. When you finish, check how your definitions compare to those in the glossary at the end of the textbook.*

3. As per the results of a poll among the Russian population conducted in 2005 by the All-Russian Centre of Public Opinion Survey (ВЦИОМ/ARCPOS), an estimated 65% of all respondents stated that it was impossible to defeat corruption; one-third held the law-enforcement authorities and local authorities to be the most corrupt; nearly as many consider all of society to be corrupt.

   Carry out your own sociological survey on this topic in class, among your group, among your peers or acquaintances. Have there been any changes in public opinion of the contemporary Russians? Do you think that with the implementation of Integrity tools, corruption may be reduced more effectively than with anti-corruption tools?

[22]Administrative resource (in Russia) is the ability of political candidates (and parties) to use their official positions or connections to government institutions to influence the outcome of elections

Case studies for analysis[23]

Case 1- How the Minister set the President straight

Characters

1. President of the country.
2. Minister of the Department of Interior of one of the Russian federal territories, Mr. Karlov.
3. Head of Police of the same federal territory, Mr. Nechestny.

The active fight against narco business in the country has only reduced this truly national plague to a certain extent, but also revealed that one of the reasons for its impregnability was the assistance provided by the police (so called 'cover-up') to the drug-dealers. The most dangerous was the behaviour of police officers of one of the departments headed by Mr. Nechestny. His subordinates, having at their disposal operative information about drugs suppliers, had practically imposed a tax on them. In return, the drug dealers were guaranteed protection from the law-enforcement bodies in charge of fighting the drug traffic.

As it transpired, such joint activity of criminals with those supposed to fight them continued for several years. It had depraved both parties to such a degree that when they came to arrest the drug traffickers, they openly mentioned their protectors within the police, while the latter were trying to use their position to hinder the investigation. Criminal proceedings were begun against the 'werewolf officers'.[24] The lead that the subordinates shared their criminal earnings with the head of the district police Nechestny, was not confirmed. He also managed to evade criminal liability for negligence in the discharge of his official duties. However, by virtue of the resolution of the country's President, for 'inappropriate discharge of his official duties and collaboration with the criminal community', Nechestny was dismissed from his office and stripped of his rank. After several months, at festivities dedicated to the professional holiday of the police officials, the Minister of the Interior of the country Mr. Karlov presented an official award for considerable results in the organisation of the work of the district police to Nechestny. At the same time he expressed regret at the way the President of the country had acted by having dismissed such a valuable official. The people of the district who had been rather passive prior to that, and were seemingly tired of both the work of the police led by Nechestny over the years he was in office and his permissiveness regarding drug traffickers, unexpectedly strongly decried the decision of the Minister of the Interior Mr. Karlov and had it repealed, as well as had Nechestny stripped of his last award .

Assignment

1. Use an 'integrity lens' to analyse all the stakeholders and their interests and actions using the four elements of INTEGRITY: Accountability, Competence, Ethics, and Lack of corruption (or with corruption controls).

2. Develop an action plan (including activities, responsible implementers, training for staff regarding the plan, etc) with compliance AND integrity measures for preventing the ethical and integrity problems demonstrated in this case.

Additional questions on the case study

1. Is it possible to consider the behaviour of the head of the district police Mr. Nechestny and the Minister of the Interior Mr. Karlov to be honest?

2. If not, then what moral norms and principles did they violate?

3. Do the acts by Nechestny and Karlov contradict the moral norms only or have they also violated the laws of the state?

4. To whom and what kind of harm was inflicted by the inaction of the head of the district police Mr. Nechestny?

5. To whom and what kind of harm was inflicted by the action taken by the Minister of the Interior Mr.Karlov?

6. What specific measures and by whom can and should be taken in relation to Mr. Nechestny?

7. What specific measures and by whom can and should be taken in relation to Mr. Karlov?

8. What role in restoring justice and punishing the dishonest officials belongs to the institutions of civil society?

9. Who gets hurt by the corruption among the police, and the impunity afforded many corrupt public officials? Review your Integrity Lens analysis, and see if there's anything you left out, that you might want to adjust in your action plan. Think broadly regarding how these behaviours impact on individuals as well as society as a whole.

---

[23]Author: Tatiana Daurova - cand. jurid, Professor of the Institute of Management named after Volga PA Stolypin, Russian Academy of National Economy and Public Administration (Saratov)

[24]This is a term in Russian for police officers who commit crimes.

Case studies for analysis

Case 2 - "The one who has one friend never needs a full purse."

Head of Municipal Education[26]

Characters:

1. Boris Sheremetyev - head of administration of Dubkovsky municipal education, Saratov region, native inhabitant of the town of Dubky for 44 years.

2. Gennady Krivonozhkin 2 deputy of the Council of Dubkovsky municipal education, Saratov region, native inhabitant of the town of Dubky for 38 years.

Yesterday's entrepreneur who was recently elected deputy of the Council of Dubkovsky municipal education, Gennady Krivonozhkin liked the location of the new high-rise apartment building in the heart of the town of Dubky very much. And the new building itself was also rather good: a brick house with autonomous heating, well-thought-out apartment planning, windows facing the Volga. His wife Maria would also be happy to live in such a house. By that time the family had one nice flat, and the purchase of another one for several million rubles did not fit in with their plans. Having deliberated over all the possible options at the family council, the Krivonozhkins decided to resort to the help of the head of the Dubkovsky administration of municipal education Boris Sheremetyev. The town where these events occurred was rather small, and therefore all people of the neighbourhood know each other fairly well. Both representatives of the municipal administration, as is common in modern Russia, were from the same party.

The deputy did not have difficulty organising the meeting with Boris Sheremetyev and setting forth his request regarding a flat. The decision was not taken right away, though. After the first conversation the head of administration, aware of the delicacy of the issue, promised to think it over. Soon Boris Sheremetyev offered the applicant the following option: a three-room apartment in the new building that appealed to the couple would be transferred into the category of 'office-provided flat', and as such was given by the municipality to Gennady Krivonozhkin for temporary use. The couple moved into the new apartment, and after a while, when people forgot about the new 'official' status of the flat, the Krivonozhkins would privatise it.

Still, apart from the fact that the 'office-provided flat' cannot be legally privatised, the situation was exacerbated by another fact: the Krivonozhkins already took part in a so-called free privatisation, which was possible only once in a lifetime. So one more time a new situation was offered by Boris Sheremetyev: the owner in the privatisation contract of the new apartment was to be in the name of Sergey - the underage son of the Krivonozhkins.

This action was carried out by the Krivonozhkins who at no cost became the happy owners of two apartments.

Assignment

1. Use an 'integrity lens' to analyse all the stakeholders and their interests and actions using the four elements of INTEGRITY: Accountability, Competence, Ethics, and Lack of corruption (or with corruption controls).

2. Develop an action plan (including activities, responsible implementers, training for staff regarding the plan, etc) with compliance AND integrity measures for preventing the ethical and integrity problems demonstrated in this case.

Additional questions on the case study

1. Can the behaviour of Boris Sheremetyev and Gennady Krivonozhkin be considered upright?

2. If not, then what moral norms and other principles did they violate?

3. Do the deeds of the characters contradict moral norms only or have they also violated the existing legislation?

4. Is there a corruption component in the behaviour of Boris Sheremetyev and Gennady Krivonozhkin?

5. To whom and what kind of harm was inflicted by the acts of Boris Sheremetyev and Gennady Krivonozhkin?

6. What measures precisely and by whom can and should be taken to restore justice?

7. What role in restoring justice belongs to the institutions of civil society?

[26]The basis of the case is on a true story that happened in 2009 in Balakovo, Saratov region. Newspaper Week in Saratov. April 30, 2013

Section 4

Glossary, with international organisations and key legislation

Integrity glossary

Abuse (v): To misuse one's power and duty (e.g., related to a contract, a function or an office).

Abuse (n): Improper use or treatment of an entity or person, often to unfairly or improperly gain benefit.

Abuse of Function (n): Failure to perform or the performance of a function by an agent (public officer, private agent) aimed at receiving an undue advantage.

Abuse of Power (n): The commission of an unlawful act, done in an official capacity, which negatively affects the proper performance of official duties.

Access to Information: The ability of citizens to easily and legitimately get access to information stored by others (especially government), when there is no specific prohibition in law preventing such access. This access is often supported by a 'Freedom of Information Law'.

Accountability: One of the main elements of Integrity: Enabling stakeholders to check that you do what you say you do or are supposed to do. The state of being accountable, liable, or answerable; considered a requirement for public officials, for officers and directors of companies, for managers and employees. For example, public officials, managers and other professionals are responsible to shareholders, clients, customers, patients, the general public, etc. Moreover, other groups also can be held accountable, such as students being accountable to their teachers, as well as teachers being accountable to their students. Within a National Integrity System, we can distinguish between Horizontal, Vertical and Diagonal Accountability. All three kinds of accountability are essential to making a National Integrity System function properly - at least in an open democratic society. In fact, the test of the openness of a society is partly how well these three forms of accountability operate. Accountability often requires transparency.

Action Learning: Action learning is an educational process whereby people work and learn by tackling real issues and reflecting on their actions. Learners acquire knowledge through actions and practice rather than through traditional instruction (i.e., lectures, reading, etc.). Action learning goes beyond theoretical problem solving. It involves testing principles in real-life situations outside the classroom to see whether they deliver satisfactory results, and re-assessing the principles in the light of the results. Action learning often requires the use of tools and approaches that close the loop.

Activist: Someone who is seriously and passionately involved in and/or advocating for a particular cause (often social or political) by mobilising support for issues, participating in campaigns, running for public office, etc.

Administrative Accountability: The responsibility of public officials who deal with administrative issues and law to follow all guidelines and procedures and be answerable to their stakeholders while maintaining integrity and adherence to laws and regulations.

Administrative Corruption: Corruption that interferes with the administrative duties of public officials and prevents them from carrying out their duties with integrity. This is one type of spoiler that can prevent governance reforms.

Administrative Due Process: Adherence to laws, rules and regulations to ensure that public officials are carrying out their duties as set out in written guidelines, so that government agencies cannot ignore their public's rights, exercise arbitrary judgment, or abuse government authority.

Administrative Ethics: A term referring to the ethics applied to the public administration.

Affective Learning: One of three main types of learning as identified by Benjamin Bloom, the others being Cognitive and Behavioural or Psychomotor Learning. Affective learning is where the learner, for example, has the opportunity to interact with someone who has directly suffered from corruption or maladministration and understands with feeling and/or emotion what that has meant in their lives. It may also be learning something from a story, film, situation or material (in any media) that generates an emotional response.

Agency Costs: Costs arising out of principal-agent relationships when an agent is paid for acting on behalf of its principal. These costs serve as an incentive for the agent and in order to align the agent's interests with the interests of the principal. Examples include compensation, bonuses, stock options, etc.

Agency Problem: A conflict of interest arising out of the principal-agent relationship when an agent's interests diverge from the interests of its principal.

Agency Theory: This theory is concerned with the agency problems and relationships between principals and agents.

Agent: One who acts for or on behalf of another.

Aggrieved: Angry or unhappy because of unjust treatment or perceived unjust treatment.

Alignment: Consistency between what an organisation intends and/or says it is going to do and what it actually does. It also denotes consistency between the behaviours that an organisation considers to be important and the way it actually behaves. It can be described as "organisational wholeness", in the sense of an organisation's collective focus on a common purpose: the constituent parts of

your organisation "line up" as a whole, focused on its goals. Management and staff demonstrate behaviour that encourages the organisation to flourish. It therefore also denotes the extent to which your organisation coordinates its activities, so that its various constituent elements present a common, seamless front to others and work together to implement its strategy and achieve its purpose.

Anti-Corruption agency: An agency that specialises in fighting corruption; it can be part of the police or law enforcement bodies, but can alternatively be independent from some or all public bodies.

Apolitical: Lacking interest in politics and demonstrating an approach that includes no involvement in voting or other political behaviours, and nonaffiliation with any political parties.

Appeal: A formal question as to the correctness of a ruling by a presiding officer.

Appoint: To assign or designate someone a job.

Assumptions: In this context, making decisions based on an accepted truth when there is no evidence. This is problematic. Engaging with Integrity should be evidence-based when possible.

Audit: An impartial inspection, assessment and verification of financial statements, accounts and financial situation in general of an individual or an organisation.

Bias: Favouring one person or thing over another in a way that would be considered unfair.

Benchmarking: The term refers to making an evaluation of one organisation's performance or operation against best standards or best practices set in the same sector.

Best Practice: A technique or methodology that, through experience and research, has reliably led to a desired or optimum result. A practice that is most appropriate and transparent under the circumstances, which is considered acceptable within an organisation or sector.

Beyond the Call of Duty: Doing more than is required.

Black List (n): A list of organisations - often suppliers of goods and services - that have been noted as having behaved without integrity in the past, and thus should not be allowed to provide goods and services in the future. (to blacklist (v) - to put organisations on such a list).

Blame: To find fault with someone as responsible for a situation or event.

Blat: A Russian term that comprises personal networks, often with public officials, that 'grease' the way to obtaining goods, services or favours at an unfair advantage.

Board of Trustees: An appointed or elected board that promotes and safeguards the affairs of a public or private organisation (e.g., a foundation or charity).

Bottom-Up approach: The engagement of people in a society to lead reform and change, often - but not always - in collaboration with government. A leadership style of an organisation where employees are motivated to participate in the process of decision making and organisational life in general.

Boycott: To withdraw from social or commercial relations as punishment or protest, such as refusal to purchase items or partake in social activities.

Bribery: The act of offering, agreeing to, giving or receiving an undue advantage - tangible (e.g., money) and/or intangible (e.g., service) - in exchange for performing or abstaining from performing an official action, or with an intention to influence a person of authority in the discharge of his/her functions.

Bribe Payers Index: An index developed by Transparency International to assess the likelihood of exporting companies from the world's biggest economies getting involved in corruption abroad. It is published regularly since 1999.

Bureaucracy: A system of managing government where most of the important decisions are made by non-elected officials (i.e., professional bureaucrats), often accompanied by complex administrative procedures.

Case Story: A learning tool in the form of a story - often demonstrating a success or failure - illustrating a topic that concerns a student or learner, which describes what took place, and allows students to reflect and analyse the different steps taken, and the different results obtained. Typically students are asked to relive the story presented, stop it at different points, and are asked to reflect and answer questions.

Case Study: A case study for teaching relays a real or fictitious story about an organisation or person, the study of which provides various opportunities for developing analytical skills and learning. A case study often leads up to a decision-point or crisis situation that requires the students to formulate a decision, solution or plan of action. Case studies are often used at business schools and schools of public policy and public administration. Age-appropriate case studies can be used with secondary school students, as well as adults.

Checks and Balances: Rules and processes that comprise an appropriate system and environment so that no one person or unit is solely in charge of any business unit, and that each person or unit has someone else to check on each facet for accuracy, legality, etc.

Citizen Engagement: a variation on Citizen Participation, this describes a set of policies that make it easy for citizens to engage with government. The World Bank in its 2014 Citizen Engagement Policy distinguishes between four main types: citizens engaged through being (a) informed, (b) consulted, (c) collaborative and (d) empowered.** The participation agenda requires buy-in from the principal. Citizen engagement frameworks recognise that this will not always be possible.

Citizen monitoring with an integrity approach: Activities whereby communities are identified through participatory processes to engage citizens and collect data on the accountability, transparency and effectiveness of development projects and service delivery in their communities. The data are then used to identify problems and for monitors and others to assist in proposing and implementing effective solutions, after which feedback is given to all those involved.

Citizen participation: The involvement of citizens in a wide range of administrative and policy-making activities, including the determination of levels of service, budget priorities and the acceptability of physical construction projects, in order to orient government programmes towards community needs, build public support and encourage a sense of cohesiveness within neighbourhoods and societies.*

Civil Society Organisation (CSO): An organisation with members/participants who are citizens or residents, who have organised together to promote issues of community interest.

Clarity: Being clear, coherent, transparent.

Clientelism: Distribution of selected goods and services in exchange for political loyalty and support from constituents or clients.

Closing the loop: The loop is closed when there is a feedback mechanism that triggers an appropriate response. For example, this could be the case when there is a satisfying response to an access to information request or when there is a resolution to a citizen's complaint, as long as the response is communicated back to the relevant stakeholders. Sometimes this process can be supported by technology (SMS, hotlines, email, websites) but that is not a requirement. Technology just makes it easier to track whether the loop is being closed.

Code of Conduct: A set of rules outlining the responsibilities of or proper behavioural practices for an individual, party or organisation.

Code of Ethics: A central guide and reference for staff to support day-to-day decision-making based on ethical principles. It is meant to clarify your organisation's vision, mission, values and principles, linking them to standards of professional conduct. It should provide clear guidance on norms of expected individual behaviour and how your organisation operates.

Cognitive learning: One of three main types of learning as identified by Benjamin Bloom, the others being Affective and Behavioural or Psychomotor Learning. Cognitive learning is based on information, knowledge acquisition and thinking. Related to corruption and integrity, it often includes learning about international and local laws and regulations, history, social attitudes and culture.

Collective action: A common initiative of different sectors or multiple actors from the same sector that aims to unite efforts in advocating for laws, policies, etc. or to agree on procedures.

Collusion: Secret or illegal cooperation in order to deceive.

Community Integrity Building (CIB): A process by which communities, often led by Non-Profit Organisations (NPOs), Non-Governmental Organisations (NGOs) or Civil Society Organisations (CSOs), which have issues or problems with local government and/or its delivery of services, work to get them fixed, most often in a collaborative process with local government. The Community Integrity Building (CIB) process starts with scoping the environment, then continues with conducting joint learning between local government and citizens to function as monitors, gathering evidence, engaging citizens and implementers - business or service deliverers - and closing the loop by providing feedback to stakeholders and implementing "fixes". The processes, tools and mechanisms of CIB are a subset of social accountability, but emphasise the resolution of problems and closing the loop to the satisfaction of stakeholders. CIB is generally characterised by a high Fix-Rate.

Competence: One of the main elements of Integrity: Competence denotes an organisation's ability to meet performance objectives and satisfy the reasonable quality expectations of its internal and external stakeholders. This means having its employees effectively deploying the skills and capabilities required to carry out their duties and achieve the organisation's goals. It conveys a sense of reliability and addresses the "fit" between how the organisation carries on its affairs and what the needs of its stakeholders are. As such, it demonstrates the organisation being "fit for purpose" in the environment in which it operates. It requires a balanced mix of managerial and technical skills and attributes.

Competitive differentiator: An organisation which tries to position itself competitively by setting its products, services and brands apart from those of its competitors. Related to integrity, an organisation can distinguish itself separately by being recognised as an organisation that operates with integrity, in contrast to other organisations that may tolerate corrupt practices.

Compliance: Operating by fulfilling the requirements and guidelines of laws, regulations, recommendations, internal policies, procedures and contracts.

Compliance approach: A Compliance Approach to reducing corruption and/or solving integrity or ethical challenges is characterised by being:
- Rules-based
- Focused mainly on the application and enforcement of rules and procedures

• Adversarial: naming, shaming, litigation

• Problem-focused

• Less able to use their own discretion

A compliance approach can be led either top-down or bottom-up.

A compliance approach is in contrast to an integrity approach."

Condescension: An attitude of patronising, superiority or disdain.

Confidentiality: Discretion in keeping information secret.

Conflict of Interest: A conflict between the private interests and the official responsibility of a person in a position of trust. Note that an official or public servant may have a conflict of interest, but it does not necessarily disqualify the official from performing his or her duty. The first step is for the official/public servant to declare the conflict of interest, and his/her colleagues will determine according to established procedures, whether specific action is required to either disqualify or allow the official/public servant to take part in the action required, in concern for lack of impartiality. For example, if an official in a position of power in an organisation uses that power to promote a relative or friend so that they gain some advantage, this illustrates inappropriate behaviour related to the conflict of interest. However, if the same official simply puts the relative's or friend's name forward to be handled through existing and legal processes, and removes herself from being involved in the decision-making, it is not necessarily acting inappropriately related to the conflict of interest.

Constituency: A group of people or organisations who are interested stakeholders of public agencies delivering services, comprising existing or potential supporters.

Constructive engagement: A stage in the process of Community Integrity Building characterised by sharing findings, identifying solutions, negotiating with project implementers to apply the solutions - thus fixing the problems - and advocating for change.

Context sensitivity: The first stage in the process of Community Integrity Building characterised by learning about the context and the stakeholders. This involves stakeholder analysis, community participation and establishing a baseline of information, as well as an analysis of potential spoilers.

Corporate Social Responsibility (CSR), also referred to simply as Corporate Responsibility: A company or organisation's obligation to be accountable to all of its stakeholders in all its operations and activities, with the aim of achieving sustainable development not only in the economic, but also in the environmental, social and governance dimensions (these are often referred to as ESG).

Corruption: The abuse of entrusted or public power for private or personal gains. OR: A situation where a monopoly exists, where the principal has high discretion and behaves without accountability, often represented as Corruption = Monopoly+Discretion-Accountability (Robert Klitgaard). OR: An act done with the intent to give an advantage inconsistent with official duty and the rights of others. It may include bribery, coercion and extortion among other acts.

Corruption Perceptions Index (CPI): An index of scores of 177 countries (as of 2014), which measure the perceived levels of public sector corruption. It is carried out by Transparency International (TI), is published every year, and is based on perceptions of informed people and other indices identified by TI.

Cover up: An attempt to prevent people from discovering the truth about a wrongdoing.

Critical Insights: Using Critical Insights as an approach to learning comprises questioning widely accepted principles and assumptions in any given field based on empirical evidence. For example: Can corruption be eliminated? What does a zero tolerance policy mean in practice? Why is corruption so difficult to curb? What are its functions? Are there positive aspects of corruption? Why do so many reforms fail? Why do some countries seem to be able to combine high rates of growth with corruption?

Cronyism: Giving an unfair advantage to long-standing friends, especially by appointing them to positions of authority, regardless of their qualifications. Hence, cronyism is contrary in practice to the merit principle.

Cultural diversity: The variety of human societies or cultures in a specific region or in the world as a whole.

Decentralisation: Decentralisation is commonly regarded as a process through which powers, functions, responsibilities and resources are transferred from central to local governments and/or to other decentralised entities. In practical terms, decentralisation is a process of striking a balance between the claims of the periphery and the demands of the centre. Decentralisation, when appropriately structured, provides an arrangement through which critical issues (such as those of national unity and indivisibility, how to safeguard national interests and ensure coordinated and even development, equity in the distribution of resources, diversity, and local autonomy) can be reconciled.*

Decentralisation, Political: Political decentralisation aims to give citizens and their elected representatives more power in local public decision making. It is often associated with pluralistic politics and representative government, and it can also support decentralisation by giving citizens or their representatives more influence in formulating and implementing policies.*

Decision tree: An analytical technique that elaborates a variety of possible actions that lead to specific outcomes, alongside the consideration of risks for each action.* This is a tool mainly used by managers and other decision-makers.

Delegation: Assigning tasks to others. Government delegation refers to "the transfer of government decision-making and administrative authority for clearly defined tasks to organisations or firms that are either under its indirect control or are independent. Most typically, delegation is done by central government to semi-autonomous organisations not wholly controlled by the government but legally accountable to it." *

Democracy: A system of government in which the people have the right to select their leadership through a process such as free elections, express their needs, concerns and priorities, and, in many cases, elect persons to be their representatives at local, state/province and national levels. A democracy is usually known for being ruled by the voting results of the majority, while also protecting the rights of the minorities.

Democratic elections: A process whereby those who have registered as electors in a country are given the opportunity to vote for people of their choice to represent them in the Parliament (or other legislative body) of their country at regular intervals, as set in law. There are many ways in which elections are subverted, but they become democratic when the following aspects are observed:

• Acceptance of the outcome by the winners and losers

• Impartiality and fairness in the process of holding the elections

• The elections are non-violent and free from threats

• Participation by a majority of the citizens of the country

• Professionalism by those who manage the elections in setting up election booths, collecting votes cast, etc.

• Openness in the declaration of the results of the voting

• Regularity in keeping to the legal intervals for holding the elections

• Rule of law is followed in the nominations of candidates, the limits to expenditure on elections, etc.

• Timeliness in holding the elections at the legal intervals

• Transparency in clearly counting votes, declaring results, and publicising those results.

Denying rights: The act of preventing someone from realising their human, social, or other type of rights.

Devolution: The transfer of authority for decision making, finance and management to local government. Devolution usually transfers responsibilities for services to municipalities that elect their own mayors and councils, raise their own revenues and have independent authority to make investment decisions. In a devolved system, local governments have clear and legally recognised geographical boundaries over which they exercise authority, and within which they perform public functions.

Diagonal accountability: In a National Integrity System, diagonal accountability operates in a domain between the vertical and horizontal dimensions. It refers to the phenomenon of direct citizen engagement with horizontal accountability institutions (e.g. citizens may contact the ombudsman, who then horizontally negotiates with another pillar representative) when promoting better oversight of state actions. Citizens bypass cumbersome or compromised formal accountability systems to engage in policy-making, budgeting, expenditure tracking and other similar activities. Diagonal accountability has been the locus of many innovations, especially in the last 20 years.

Diplomacy: Skill in managing negotiations, handling people, etc. in order to ensure there is little or no ill will.

Disclosure: The release of relevant information, the act or instance of disclosing to a third party or to the public.

Discretion: The authority to make decisions.

Disrespect: Lack of respect or courtesy.

Distortion of information: Misrepresentation of information or providing misleading information.

Double dipping: A phrase referring to the practice of receiving two or more sources of funds where one is redundant for the specific activity or use, or two or more grants for the same activity in a project, without accounting for it properly with the donors.

Doubts: Feelings of uncertainty.

Due diligence: Full compliance with rules and procedures that a person exercises in carrying out a process.

An investigation, research, or analysis of an organisation or individual prior to entering into a contract, transaction or activity with another party."

Due process: Refers to all the correct procedures and regulations being followed in a situation that makes sure that a person who is in a dispute about something gets fair and just treatment.

Duty: An obligation assumed by contract, imposed by law or based on ethical standards to conduct oneself in conformance with a certain standard or to act in a certain way.

E-Government: Short for electronic government, also known as e-gov, Internet government, digital government, online government, or connected government. Consists of government communications being handled digitally i.e., digital interactions between a government and citizens, public procurement, business licensing, recruitment, etc.

Embezzlement: The wrongful diversion of goods to one's own use, or fraudulent appropriation of property.

Equality: The state of being equal, especially in status, rights, obligations or opportunities.

Ethical behaviour: Ethical behaviour denotes an organisation's conformity with the set or system of principles and commitments that are established to inform its decision-making and behaviour. Such behaviour is based on a consciousness of what is legally, morally and professionally important, obligatory or permissible. If an organisation behaves ethically, it does not abuse its position and behaves fairly and equitably towards all stakeholders. Its decisions are implemented with care, reflection and consistency.

Ethical competence: The 'glue' that holds an ethics regime together. It is composed of 3 things: (a) The ability to identify and name integrity or public sector ethics problems, (b) knowledge of the legislation, code and standards to which these breaches apply, and (c) ability to propose solutions and a way of redressing these problems. Ethical competence can be tested.

Ethical investment: An investment policy requiring investments to be made only to organisations operating on the basis of ethical principles.

Ethics: One of the main elements of Integrity: Acting with honour and public purpose. Ethics prescribe specific guidance on behaviours that should or shouldn't be practised as a matter of personal, professional or organisational obligation.

Ethics regime: Composed of 3 things (a) a clear statement of an organisation's mission, code of conduct and values, (b) leadership that 'walks the walk' and 'talks the talk', meaning that the leader behaves according to the ethics messages he/she disseminates, and (c) a credible grievance mechanism to deal with complaints.

Ethnicity: The characteristics of an ethnic group; membership of an ethnic group.

Ethnocentrism: The belief that one's ethnic or cultural group is superior.

Evaluation: Evaluations are thorough investigations into the difference between planned and actual results and the reasons for these differences.

Evidence Base: The third stage in the process of Community Integrity Building, characterised by data collection, analysis and verification.

Executive Order: A presidential or prime ministerial mandate directed to and governing, with the effect of law, the actions of government officials and agencies.

Exit: Exit is to leave one's job due to an unwillingness to tolerate corruption in one's workplace.

Exploit: To benefit unfairly from the work of someone else.

Extortion: Officials unlawfully requesting or demanding money or things of value from other persons; also, extracting something by force.

Extractive Industries Transparency Initiative (EITI): A coalition of businesses, governments, and civil society actors that aims to promote transparency through the implementation of a common EITI standard. The standard requires participating organisations to publish all payments they make in conducting business in a given country, which is then put together with the reports of respective governments on the payments they received. All information is published in the EITI report and the EITI global conference is held every two years.

Facilitation payments/grease payments: A payment made to a government official or other person of authority to speed up or change the performance of his/her routine functions to the payer's advantage.

Failure to report: Neglecting one's duty to report something to the authorities, especially a wrongdoing.

False accounting: Altering and destroying or presenting financial accounts in a way, so that they would not show the true value of assets, liabilities, and the financial state of an institution, organisation, or individual. Typical examples include an overstatement of assets and understatement of liabilities.

False loyalty: Faithfulness or allegiance that is not true.

Favouritism: An act of showing or giving unfair preference or favour.

Fiduciary responsibility: The legal or ethical obligation built on trust to act primarily for a client's benefit in matters connected with an undertaking, and not for the fiduciary's own personal interest. The fiduciary duty of directors includes, amongst other items, the duty of care, the duty of loyalty, the duty of candour and good faith.

Fix: The resolution of a problem to the satisfaction of the main stakeholders. In the integrity field, we are primarily interested in problems that are resolved through the use of transparency, accountability, integrity, etc. The focus is on outcomes and impact of better services and quality of life, rather than outputs.

Fix-Rate: The Fix-Rate is the percentage of the problems identified that have been resolved to the satisfaction of key stakeholders. The Fix-Rate is one of the few reliable outcome measures for governance reform. Most governance reforms can only be measured by their outputs and activities.

Franchising: Contracting out a particular service or private concern by government, such as delivery of a public service.

Fraud: Criminal deception, false representation or omission of information to obtain an unfair advantage.

Free riders: Individuals in a group who let others do the work while they themselves also reap the benefits.

Full disclosure: To convey complete information.

Functional analysis: Functions connect the causes and the consequences of corruption. They are not a moral judgment on the costs and benefits of corruption but they help to (a) partly explain why corruption endures and (b) shed light on the extent to which reforms provide viable alternatives. To be successful, reforms must provide viable alternatives to at least some of the most important functions of corruption.

Gender equality: Also known as sex equality, sexual equality or equality of the genders, refers to the view that men and women should receive equal treatment, and should not be discriminated against based on gender, unless there is a sound biological reason for different treatment.

Ghost worker: A person on an organisation's payroll who doesn't actually work in the organisation.

Global Corruption Barometer: A public opinion survey conducted by Transparency International (TI) worldwide that aims to collect views and opinions of respondents about corruption.

Global Integrity: A US based non-profit organisation working in the field of anti-corruption and promotion of transparency and accountability of governments worldwide. It unites more than 1,000 researchers and experts who participate in the preparation of the Global Integrity Report (see entry).

Global Integrity Report: A report prepared by Global Integrity that comprises the work of national researchers who assess transparency and accountability of national governments as well as an existence and effectiveness of anti-corruption efforts of selected countries based on developed integrity indicators.

Governance: Governance denotes the collective means by which direction, oversight and control are exercised over an organisation's activities and conduct. This includes the mechanisms and processes by which decisions about the allocation, use and disposition of assets are made, executed and accounted for. This is relevant for governments, public administration at all levels and organisations.

Graft: Making illegal profit; also, denotes the dishonest funds themselves.

Greenwash: A public relations or marketing strategy deceptively displaying an organisation as environmentally friendly, when its environmental commitment is actually poor.

Grey zone: Areas not clearly defined or where legal regulations are ambiguous. It may refer to activities that are not illegal but may be unethical.

Grievance: A complaint about a wrong or perceived wrongdoing that causes resentment and may be grounds for action.

Helpfulness: Providing needed assistance.

Hierarchy: A characteristic of the structure of formal bureaucratic organisations (such as government or other bureaucracies); a clear vertical "chain of command" in which each unit is subordinate to the one above it and superior to the one below it.*

Honesty: The characteristic of telling the truth.

Horizontal accountability: This type of accountability is demonstrated through formal relationships within the state itself, whereby one state actor has the formal authority to demand explanations or impose penalties on another. Its focus is on internal checks and oversight processes. For example, a Head of State must explain his/her decisions to Legislatures, and can in some cases be overruled or sanctioned for procedural violations. Horizontal accountability relates to the pillars in the 'National Integrity System' diagram.

Human rights: Moral principles that set out certain standards of human behaviour, and are regularly protected as legal rights in national and international law. The entitlement to human rights is fundamental to all human beings, both as universal (applicable everywhere) and egalitarian (the same for everyone).

ICC Guidelines on Whistleblowing: Guidelines prepared by the International Chamber of Commerce Commission on Anti-corruption with the purpose of assisting companies in establishing a whistleblower programme.

Illegal: Against the law.

Impartial: Fair; just; not biased.

Improper conduct: Inappropriate or unacceptable behaviour.

Incomplete Information: Details of an issue or situation that are not provided or available.

Incontrovertible evidence: Indisputable facts; cannot be proven wrong.

Independent auditor: An unrelated third party accounting firm that audits the financial records of an organisation. As a best practice, the accounting firm should not be engaged with the organisation for other services.

Independent regulator: Semi-autonomous agencies usually established by law with a well-defined, separate, legislative base that outlines its objectives and functions, meant to be free of external political or other types of pressure.

Information asymmetry: A situation in which one party has more or superior information to another party. Many corruption opportunities are created by information asymmetries. The 'principal-agent problem' partly requires that we redress the information asymmetries between principals and agents in order to level the field. Additional information asymmetries can occur between principal, agent and client, as well.

Intangible assets: Defined as identifiable, non-monetary assets that cannot be seen, touched or physically measured, which are created through time and/or effort and that are identifiable as a separate asset.

Integrity: In Integrity Action's approach, integrity is defined as the alignment of accountability, competence and ethics without corruption. In an organisation it should not be viewed as something that you either have or totally lack, but rather something that can always be strengthened to provide better service to the public (whether government, private sector or civil society organisations). Integrity leads to trust and requires trustworthiness to stakeholders; note that it is not enough to trust, because the organisation must be worthy of that trust.

Integrity advice centre: A unit in an organisation that provides advice to employees in solving integrity or ethical challenges on the job.

Integrity approach: The Integrity Approach to reducing corruption and/or solving integrity or ethical challenges is characterised by being:

- Values-based
- Aware of discrepancies between policies, rules and laws, and actual implementation of them
- Collaboration-focused to get violators to fix the problems by working with integrity, using conflict resolution methods, especially alternative dispute resolution methods
- Solution-focused
- More about to use discretion.

An integrity approach can be led from the top-down and/or bottom-up.

This is in contrast to a Compliance Approach."

Integrity characteristics: Characteristics that provide a strong indication of trustworthiness for stakeholders and therefore integrity. Integrity Action's definition of integrity is the alignment of Accountability, Competence and Ethics, without Corruption. These four elements comprise identifiable and/or measurable characteristics of integrity.

Integrity education: Teaching and training that promote integrity and anti-corruption through a values-based, collaborative, action learning, solution-focused and low discretion process that can be top-down and bottom-up. Integrity education aims to prepare people of different ages and qualifications to use practical tools in order to become better at demanding integrity from others and practicing it themselves in their personal and work environments and professions.

Integrity gap: An integrity gap describes the gap between expected and actual standards of performance. Integrity gaps arise where an organisation or person fails to demonstrate the trustworthiness required to inspire stakeholder trust. Identifying integrity gaps can be an important step towards developing solutions that minimise the gaps.

Integrity leader: An integrity leader is usually the individual responsible for championing the process to strengthen integrity within an organisation, however others within an organisation can lead towards integrity without having formal responsibility to do so. In some cases, there are outstanding integrity leaders who do not lead within a specific organisation, but are leaders within society.

Integrity lens: An Integrity Lens is an analytical tool to determine whether any given situation, action, decision or stakeholder demonstrates the key elements of integrity, namely aligning Accountability, Competence, and Ethics, without Corruption.

Integrity officer: An employee in an organisation who is trained and responsible for assisting other employees in solving integrity or ethical challenges they face at work, confidentially. As different from a compliance officer, the integrity officer's main focus is to help the employee develop a solution to the problem rather than focus on litigation or reporting. Of course, when necessary, serious issues are reported.

Integrity pact: The Integrity Pact, developed by Transparency International, is a tool for preventing corruption, mainly used in public contracting. It is essentially an agreement between the government agency offering a contract and the companies bidding for it, that they will abstain from bribery, collusion and other corrupt practices for the extent of the contract. Most Integrity Pacts rely on digitally-based procedures to prevent direct contact between bidders with their bids, and the persons involved in the decision-making process. To ensure accountability, Integrity Pacts also include a monitoring system typically led by civil society or other external groups.

Integrity testing: Measures taken either pre-employment or on the job, to assess a person's propensity or characteristics towards honest, dishonest or counterproductive behaviour.

Integrity working group: A cross functional group of people within an organisation that supports the integrity leader in championing the process to strengthen integrity within the organisation.

Interest group: A private group of people who represent a set of views, mainly regarding public policies, and usually advocate for their adoption by government.

International anti-corruption day: 9 December was declared an international anti-corruption day by the United Nations General Assembly in October 2003, to mark the adoption of the United Nations Convention Against Corruption (UNCAC) and raise awareness to the problem of corruption across the globe.

Joint learning: The second stage in the process of Community Integrity Building (CIB) characterised by identifying and training community monitors on data gathering, forming multistakeholder joint working groups and selecting development projects to monitor.

Judiciary: Persons who administer justice such as a body of judges or court system.

Jumping the queue: Related to integrity, or lack thereof, 'jumping the queue' is when someone pays a facilitation payment to a service provider in return for giving the person priority in the receipt of services.

Justify: Show to be reasonable or right by providing justification or proof.

Kickback: A negotiated payment made to a government official who has taken a bribe for services rendered in order to obtain an advantage inconsistent with official duty and the rights of others. The term kickback comes from slang, in which funds are 'kicked back' to the bribed official.

Leadership: A term that refers to a set of personality characteristics and behaviour of persons who lead others using formal and informal authority or personal influence.

Legal or social clinic: Legal or social clinics are facilities set up by a Civil Society Organisation/Non-Governmental Organisation or university to provide free advice to local citizens on legal or social topics that are important to them, or to advise them where they can get the legal or social advice they need.

Licence to operate: Granting of permission to conduct a trade or organisational activity, which often denotes the adherence to a set of standards.

Licensing: A variation of contracting out, in which government grants a license to a private concern to sell a product or service that would not otherwise be allowed outside the public domain.

Lobbying: Attempting to influence a decision-maker regarding policy, usually a government official or a legislator.

Logical framework analysis (Logframe): A logframe is a particular analytical tool often required by donor agencies to show how a project or programme idea has been analysed, structured and systematised.

Lying: Not telling the truth.

Malpractice: Behaviour that is illegal, improper or unprofessional.

Management by Objectives (MBO): A management technique designed to facilitate goal and priority setting, with development of plans, resource allocation, monitoring progress towards goals, evaluating results, and generating and implementing improvements in performance are driven by guiding activities towards the achievement of those goals.

Meme: Memes are social phenomena that evolve over time, much like genes do, through a process of natural selection. Corruption is a very successful meme. Concept developed by Richard Dawkins.

Merit pay: Increases in salary and wages that are tied to actual quality of work performed.

Merit principle: A concept that selection of government employees should be based on merit or competence rather than personal or political favouritism.

Meritocracy: A system of organisation, public administration or government that holds that power should be vested in individuals almost wholly on the basis of the merit principle.

Misrepresentation: Misleading regarding information or behaviour.

Mission: A mission is a description of what an organisation does and why it currently exists. A mission statement should describe organisational purpose, using language that signifies intention.

Mission statement: A short, formal statement that reflects an organisation's purpose, aims and values.

Mob rule: Government by mob or a mass of people, or the intimidation of constitutional authorities.

Money laundering: A process of hiding an original source of money obtained by illegal means through legitimate people or accounts.

Monitoring: Monitoring is the process by which project or service implementation is assessed in order to check whether it has been done in accordance with the plan (contract, budget, quantities, etc). It is common to compare planned and actual results at the level of activities and outputs. It means double-checking that activities and outputs have actually occurred as planned and also that they have achieved the desired results.

Monopoly: A monopoly exists when a specific person or enterprise is the only supplier of a particular commodity or service. Monopolies are thus characterised by a lack of economic competition to produce the good or service and a lack of viable substitute goods.

Morals: Morals are societal norms of expected behaviour. They tend to relate to what society sees as good or bad and right or wrong.

Multi-Stakeholder Initiatives: These are initiatives in which government, business, civil society and other stakeholder groups join together to provide oversight on public projects or service delivery, in an effort to ensure proper use of funds according to the contract and other project documents.

National Integrity System: The National Integrity System, a concept coined by Jeremy Pope, is the institutional framework and mechanisms of the state and society that combine to promote sustainable development, the rule of law and the quality of life through integrity. At its base is a strong foundation of the citizenry with its social values and awareness, holding up all the elements or 'pillars' of the public sector, including some private sector and even international actors that influence the public sector in a country. These pillars hold up National Integrity; but if the pillars are weak and dysfunctional, they cannot sustain National Integrity and hence achievement of society's goals are jeopardised.

Nepotism: Showing favour to friends and relatives in appointments, promotions, services, etc.

Neutrality: The absence of bias.

Nondisclosure: A condition in which certain information is not revealed by one party to another.

Non-profit organisations: Organisations prohibited by law from distributing surplus revenues to individuals; they often have social goals, working for the benefit of the public. Also referred to as non-governmental organisations (NGOs) and civil society organisations (CSOs).

Normative teaching: A form of teaching that is mainly cognitive - i.e., material is learned through memorising, thinking, and other cognitive processes. Related to integrity and anti-corruption, normative teaching reviews national and international legislation and institutional mechanisms (including by state, civil society, business), as well as key concepts and predominant approaches.

Objectives tree: A hierarchic flowchart of objectives, supported by activities, outputs and outcomes within the Logical Framework (log frame) approach.

Ombudsman: A permanent office - usually within a government - that receives complaints from citizens and acts on behalf of those citizens to secure information, request services, or pursue grievances; the Ombudsman often has a significant role in diagonal accountability within the National Integrity System.

Open contracting: Refers to norms and practices for increased information disclosure and participation in public contracting, including tendering, performance and completion. It includes the variety of contract types, from more basic contracts for the procurement of goods, to complex contracts, joint venture agreements, licenses and production sharing agreements. Open contracting encompasses all public contracting, including contracts funded by combinations of public, private and donor sources.

Open data: The idea that certain data should be freely available to all people to use and republish as they wish, without restrictions from copyright, patents or other mechanisms of control. The goals of the open data movement are similar to those of other "Open" movements such as open source, open hardware, open content and open access.

Open government: The governing doctrine which holds that citizens have the right to access the documents and proceedings of the government to allow for effective public oversight. In its broadest construction it opposes 'reason of state' and other considerations, which have tended to legitimise extensive state secrecy.

Organisational change: A theory of organisations that concentrates on increasing the ability of an organisation to implement changes needed to solve internal problems of organisational behaviour as one of its routine functions; concerned first with identification and analysis of such problems, and then with formulating a solution that is applied through change within the organisation.

Organisational culture: Basic patterns of attitudes, beliefs and values that underlie an organisation's operations and procedures.

Organisational ethics: Specific guidance on behaviours in a professional and/or organisational context and notably how the organisation relates to its stakeholders. They essentially prescribe behaviours that should or shouldn't be practised as a matter of obligation.

Outcome: The state or situation that results from what you actually do based on specific activities or outputs.

Output: What you actually do, which may result in a certain outcome.

Participatory democracy: A political and philosophical belief in direct involvement by affected citizens in the process of governmental decision making; believed by some to be essential to the existence of democratic government.* A related term is citizen participation.

Patronage: The support, encouragement, privilege, or financial aid that an organisation or individual bestows to another. It often is used to describe political patronage, which is the use of state resources to reward individuals for their electoral support. The term may also refer to a type of corruption or favouritism in which a party in power rewards groups, families, an ethnic group, etc. for their electoral support using illegal gifts or fraudulently awarded appointments or government contracts.

Pedagogical methods (especially suited for Integrity): There are six main pedagogical methods for teaching integrity and anti-corruption: 1) normative and conceptual, 2) ethical and moral, 3) case study (in all its formats), 4) critical insights, 5) problem-centred and 6) action-learning. A variety of methods deepens and enhances learning, especially since people learn in different ways.

Performance appraisal: Specific evaluation, usually by a superior with an employee, with respect to the individual's progress in completing his/her specified tasks. The performance appraisal process may include feedback solicited from colleagues, superiors or subordinates as well, known as 360 degree feedback.

Performance indicators: These are measures or statements used to evaluate performance to expected standards, based on data that an organisation itself can collect.

Performance management: The management of the performance of government organisations as a whole, their chief executives and their staff.

Performance standards: A standard that represents a benchmark of required performance to apply in different areas of management and operating activity.

Pluralism: A social and political concept stressing the appropriateness of group organisation that includes diversity of groups and their activities, as a means of protecting broad group interests in society; assumes that groups are good and that diversity among them will benefit the public interest.

Policy: The set of laws, regulations or other government enforced rules or funding arrangements that require, restrain or pay for actions from individuals, enterprises or government officials and together contribute to the achievement of specific government objectives.

Poor documentation: Lack of professionalism in recording information (e.g., incomplete, misrepresented, biased, poorly written information).

Prejudice: An unfavourable opinion or feeling formed beforehand regarding a group.

Pressure: In this instance, exerting undue persuasion or intimidation for another person to do something.

Price gouging: To grossly overcharge for a purchase.

Principal: One who authorises another to act on his or her behalf as an agent. See entry 'principal-agent problem'.

Principal-agent problem: Fundamentally it concerns the difficulties of motivating one party to act on interests other than its own; often based on information asymmetries. One example is a government manager (Principal), who sends an Agent to collect taxes from the citizens. The Principal's interest is to collect all the taxes. The Agent's interest is to collect taxes, but may also be to get some personal financial benefit from the transactions. The Agent decides to give a lower-than-average tax rate, getting a kickback from the citizen who has paid less than expected. Due to information asymmetry, the Principal does not know about the lower rate, nor of the kickback taken by the Agent.

Private, not for profit agency: A formal agency volunteer programme, or a private non-profit service organisation operated by at least one paid professional, in which volunteers provide at least some of a service either independently or under government direction.

Privatisation: Shifting functions, in whole or in part, from government to the private sector. This may happen when there is a political decision that there is no continuing public policy reason to retain responsibility within government, because of widespread corruption in a public utility or government owned company, or when that responsibility can be discharged through regulation.

Problems: For Community Integrity Building (CIB) monitoring work, problems are instances of corruption or maladministration issues that need to be fixed. Choosing which problems to fix should be done as objectively as possible, as a significant discrepancy, e.g., between (a) a contract and its actual execution, (b) a policy and its implementation, or (c) an entitlement and access.

Problem-centred teaching: Working on live, unresolved cases, preferably from the workplace (or personal life) of the individuals concerned. The problems should be used as an opportunity to test learning and concepts as well as to train on the ability to propose viable solutions.

Problem tree: A problem tree systematises the problems identified during a brainstorming process into relations of cause and effect of a particular problem area of interest to an organisation or community.

Procurement: A process of acquiring goods and services in a structured way, for example through public tenders, e-procurement or sometimes Integrity Pacts.

Professionalism: The standards of education and training that prepare members of the profession with the particular knowledge and skills necessary to perform the role of that profession. In addition, most professionals are subject to a strict code of conduct enshrining rigorous ethical and moral obligations. Professional standards of practice and ethics for a particular field are typically agreed upon and maintained through widely recognised professional associations.

Protest: To disapprove or complain about something publicly.

Protocol: The customs and regulations dealing with the formal way of carrying out activities.

Psychomotor Learning/Behavioural Learning: Helping students acquire new skills - both analytical and practical - which they can physically and in actuality apply to cope with integrity challenges. One of three main types of learning as identified by Benjamin Bloom, the others being Affective and Cognitive Learning.

Public good: The benefit or well-being of the public.

Public hearing: Public Hearings are meetings between citizens and local government (or representatives of national government) at which an issue important to local citizens is brought up for discussion. It is usually requested by the local community, and they may be encouraged to call for it by a local Civil Society Organisation (CSO) that is working with them.

Public policy: Principles and standards that are of fundamental concern to the government and the whole of the society.

Public-private partnership: A cooperative or joint venture between two or more parties in the public and private sectors, built on the strength and expertise of each partner.

Public procurement: The process of government institutions acquiring goods and services.

Racism: A belief that the differences between human races determine cultural or individual achievement. It usually involves the idea that one's own race is superior to others.

Rationalisation: Justification of a behaviour by means that may not necessarily be rational.

Reason of state: A term used mainly by governments based on alleged state needs, to justify political actions taken - that may include the violation of rights or moral codes - or actions not taken - such as withholding information from the public. Often, the public is not informed of specific reasons for the government's actions or inaction.

Red tape: A term used to describe excessive paperwork needed to conform to the formal requirements and obtain approval or achieve a goal. Usually used in reference to bureaucratic formalities and procedures of the government institutions.

Resource curse: This refers to the paradox that countries with plenty of natural resources (especially oil, gas and minerals) tend to have lower levels of economic growth, higher rates of poverty and inequality and worse governance than countries with fewer natural resources. Prominent exceptions to this curse are Norway and Canada; Nigeria and Angola are widely considered examples of the resource curse.

Respecting rights: Enabling or recognising someone's rights.

Responsibility: A form of trustworthiness; the trait of being answerable to someone for something or being liable for one's conduct.

Responsiveness: Responding with competence, empathy, courtesy and timeliness to people and their needs. A core characteristic of accountability and competence, especially for public officials who provide services to citizens.

Risk averse: Being cautious about taking risks.

Risk management: A procedure to identify potential sources of risk to an organisation, to assess and to minimise any negative consequences.

Self-interest: Taking advantage of opportunities without regard for the consequences for others.

Service charters: A document that lays out what standards of service stakeholders can expect from an organisation, sometimes negotiated jointly between government and beneficiaries. Also statements of service targets published by service providing agencies that set standards for the agency and can define compensation to the public if they are not achieved. They are known by such names as "Citizens' Charters" (UK) or "Public Service Charters" (Korea).

Sexist: A type of discrimination against members of the opposite sex.

Sideline: To remove from the centre of activity or attention; place in an inferior position.

Social accountability: Refers to a process of strengthening the ability of citizens, CSOs and other non-state actors to work with governments to hold them accountable and responsible for implementing the laws and regulations that have been passed or agreed by different legitimate bodies, but have often not been executed properly. It is also about encouraging government to be fully transparent and responsive to citizens' needs. Community Integrity Building is a type of social accountability. The effectiveness of social accountability activities can in part be assessed by their Fix-Rates.

Social audit: Social Audits are meetings between citizens and local government (or representatives of national government) at which a public accounting of budgets, expenditures, contracts, bills of quantity, employment, may be reviewed in order to ensure that there are no discrepancies or irregularities in relation to a particular project or programme that has been carried out by a government body. It may be incorporated into the ongoing procedures of any local government project - or it may be something requested or carried out by the community. It usually takes place at the completion of a particular project, and is often reported in a public hearing.

Social capital:
1. An intangible value of an organisation that includes social and interpersonal skills of officers and employees.
2. A term referring to networks, connections, and affiliations of an individual that allow him to receive benefits or opportunities.
3. Broadly, a term referring to interrelations and networks formed by social actors in the society, providing tangible and intangible value to one another.

Social equality: A social state of affairs in which all people within a specific society or isolated group have the same status in a certain respect.

Social justice: Social justice is the reality for people to be treated equitably and realise their potential in the society where they live. The goal of social justice is generally the same as human development, and the relevant institutions are usually taken to include education, health care, social security, labour rights, as well as a broader system of public services, progressive taxation and regulation of markets, to ensure fair distribution of wealth, equality of opportunity, and no gross inequality of outcome.

Social responsibility: Social responsibility is an ethical theory that an entity, be it an organisation or individual, has an obligation to act to benefit society at large. Social responsibility is a duty every individual has to perform so as to maintain a balance between the economy and the ecosystems. It pertains not only to business organisations but also to everyone whose action impacts on the environment. This responsibility can be passive, by avoiding engaging in socially harmful acts, or active, by performing activities that directly advance social goals.

Socially responsible investment: An investment approach or strategy that considers certain social goals in addition to profitability. Social goals can include different social, environmental, ethical and other issues that investors aim to promote and preserve.

Spoilers: Individuals and groups that actively work to undermine reforms or proper compliance with norms and regulations.

Stakeholder: Stakeholders are 'interested parties' - i.e., the people and entities that are directly and/or indirectly affected by the decisions an organisation makes and the courses of action it pursues. It can also be a person, group or institution that is affected by or has an effect on the company with or without direct legal (corporate) rights.

Primary stakeholders are those whose continued participation is considered absolutely necessary for the survival of an organisation. They either directly benefit from the products and/or services that an organisation provides, or are directly involved in processes to deliver them. Secondary stakeholders are not considered absolutely necessary for an organisation's survival. They can nonetheless have a significant influence on its effectiveness and efficiency. Even remote secondary stakeholders can exert pressure, by calling into question an organisation's legitimacy and right to exist.

Stakeholder mapping: This is a process to identify and prioritise key stakeholders based on their importance to your organisation and your organisation's importance to them.

Stakeholder theory: The theory that states that a company should take into account interests of all stakeholders in performing its activities.

State capture: The actions of individuals, groups or firms, both in the public and private sectors, to influence the formation of laws, regulations, decrees or other government policies to their own advantage as a result of the illegal transfer or concentration of private benefits to public officials.

Stewardship: Managing and overseeing the progress of a process.

Stolen property: Goods that have been unlawfully obtained.

Strategic interventions: Jonathan Fox, an expert in social accountability, defines strategic interventions as an approach with a theory of change that takes into account the whole causal chain, for example in a procurement process, or in a policy decision. It is distinguished from a tactical approach. Community Integrity Building is an example of a strategic intervention.

Strategic planning: Matching organisational objectives and capabilities to the demands of the environment to produce a plan of action that will ensure achievement of objectives.

Submissive: The trait of being willing to yield to the will of another person or a superior force, etc.

Sustainability: The integration of economic progress, social development and environmental concerns with the objective of ensuring a consistent or better quality of life for future generations.

Tactical interventions: Jonathan Fox, an expert in social accountability, defines tactical interventions (as distinguished from strategic interventions) as an approach with a theory of change that assumes it can trigger chain by addressing a single link in the causal chain, for example of a procurement process or educational policy.

Tangible assets: Tangible assets can be seen, touched, or physically measured (e.g., property, equipment, cash and other financial instruments).

Theory of change: This is a methodology for planning, participating in and evaluating social change. It is widely used by non-profit organisations and the public sector.

Threat: Statement of intention to cause pain or carry out a hostile action.

Top-down approach: A leadership style used in an organisation when all decisions and planning are made by senior management and then communicated to the lower level officers and employees.

Transparency: The practice of governments, companies and organisations communicating openly and in a straightforward manner important information to investors, shareholders and other stakeholders. Accountability often requires a degree of transparency. But transparency does not automatically lead to accountability.

Tribalism: A feeling of identity and loyalty to one's tribe.

Trust: Trust is the willingness of one person (e.g., a stakeholder) to put him/herself in a position of vulnerability to another (e.g., your organisation), in the expectation that his/her interests will not be abused. Trust is built on an expectation that the recipient of such trust (i.e., your organisation) can do what it claims. Trust is given voluntarily - it cannot be demanded; trust should not be given unless one is certain the subject is trustworthy.

Trustworthiness: To be worthy of trust. The extent to which measures are in place to build others' confidence, based upon performance and behaviour.

Undue Pressure: An attempt to persuade or intimidate excessively.

Unresponsiveness: A situation in which someone in a position of power does not respond as is their duty.

Value proposition: A value proposition is a tool for expressing why your organisation's claim on the resources of its stakeholders is more valid than that of other, competing organisations. It should comprise a clear statement of the tangible and intangible results that the stakeholder can expect and the factors that set your organisation apart from others as a more attractive recipient of resources.

Values: Values represent the positive, motivating drive for organisational activities and the guidance for determining its priorities of action. They should inspire and guide individual behaviour within the organisation. They should underpin the intent and direction of your organisation's strategy.

Vested interest: A right or title that can be conveyed; a special interest in protecting whatever is to one's own advantage.

Vision: A vision statement describes what an organisation aspires to be and gives shape and direction to its future. In this way a vision is expressed as a desired future state.

Voice: When an employee expresses a concern to someone of authority regarding the bad or illegal behaviour of someone within the organisation

Uneven playing field: A situation that appears in cases when competitors compete on different terms and conditions creating unfair advantages or disadvantages.

Vertical accountability: In a National Integrity System, vertical accountability is demonstrated when citizens and their associations play direct roles in holding the powerful to account. Elections are the formal institutional channel of vertical accountability. But there are also informal processes through which citizens organise themselves into associations capable of influencing governments and private service providers, demanding explanations and threatening less formal sanctions, like negative publicity.

Victimisation: Unfair treatment of an employee by another employee or employer.

Whistleblower: A person, usually an employee, who reports illegal activities going on inside an organisation to the management, media or public.

Whistleblower hotline: A telephone line or website dedicated to receiving information, often from an employee in an organisation, related to corrupt behaviour. It is often a means of maintaining confidentiality and anonymity.

White list: A list of organisations (often suppliers of goods and services) that have been noted as having behaved with integrity in the past and that have good systems and procedures in place, and thus should be allowed and encouraged to continue providing goods and services in the future.

Withholding information: Refraining from disclosing relevant information that one has.

Zero tolerance: A zero tolerance policy imposes automatic punishment for infractions of a stated rule, with the intention of eliminating undesirable conduct. Zero-tolerance policies forbid persons in positions of authority from exercising discretion or changing punishments to fit the circumstances subjectively; they are required to impose a pre-determined punishment regardless of individual culpability, extenuating circumstances, or history. This pre-determined punishment need not be severe, but it is always meted out.

International Organisations

African Development Bank Group: The overarching objective of the African Development Bank (AfDB) Group is to spur sustainable economic development and social progress in its regional member countries (RMCs), thus contributing to poverty reduction.

African Parliamentarian Network Against Corruption (APNAC): APNAC is a network of African Parliamentarians aimed at involving parliamentarians in the fight against corruption. APNAC was formed in Kampala in February 1999.

Anti-Corruption Network for Eastern Europe and Central Asia: Established in 1998, the Anti-Corruption Network (ACN) is a regional outreach programme of the OECD Working Group on Bribery.

Ashoka Changemakers: Ashoka is the largest network of social entrepreneurs worldwide (including those working in integrity, transparency and accountability) with nearly 3,000 Ashoka Fellows in 70 countries putting their system changing ideas into practice on a global scale.

Asian Development Bank (ADB): ADB is a regional development bank established in 1966 and is headquartered in Metro Manila, Philippines, to facilitate economic development in Asia.

Central European University Business School: CEU Business School was founded in Budapest in 1988, then expanded to become a broader higher education institution in 1991 as the Central European University. It is headed by George Soros.

Council of Europe (COE): The Council of Europe is the continent's leading human rights organisation. It includes 47 member states, 28 of which are members of the European Union. All Council of Europe member states have signed up to the European Convention on Human Rights, a treaty designed to protect human rights, democracy and the rule of law.

European Anti Fraud Office (OLAF): Aims to protect the financial interests of the European Union (EU) by investigating fraud, corruption and any other illegal activities. It also detects and investigates serious matters relating to the discharge of professional duties by members and staff of the EU institutions and bodies that could result in disciplinary or criminal proceedings. OLAF also supports the EU institutions, in particular the European Commission, in the development and implementation of anti-fraud legislation and policies.

European Commission (EC): The European Commission is the EU's executive body. It represents the interests of the European Union as a whole (not the interests of individual countries).

European Partners Against Corruption (EPAC): EPAC is an independent, informal network bringing together more than 60 anti-corruption authorities and police oversight bodies from Council of Europe Member Countries.

Ford Foundation (FF): The Ford Foundation, established in 1936, aims to strengthen democratic values, reduce poverty and injustice, promote international cooperation, advance human achievement worldwide.

Global Integrity (GI): Global Integrity champions transparent and accountable government around the world by producing innovative research and technologies that inform, connect, and empower civic, private, and public reformers seeking more open societies.

Global Organisation of Parliamentarians Against Corruption (GOPAC): GOPAC is an international network of parliamentarians dedicated to good governance and combating corruption throughout the world. Since its inception, GOPAC has provided information and analysis, established international benchmarks, and improved public awareness through a combination of global pressure and national action.

Global Partnership for Social Accountability (GPSA): The GPSA supports civil society and governments to work together to solve critical governance challenges in developing countries.

Global Witness (GW): Global Witness exposes the hidden links between demand for natural resources, corruption, armed conflict and environmental destruction.

Group of States Against Corruption (GRECO): GRECO was established in 1999 by the Council of Europe to monitor States' compliance with the organisation's anti-corruption standards. GRECO's objective is to improve the capacity of its members to fight corruption by monitoring their compliance with Council of Europe anti-corruption standards through a dynamic process of mutual evaluation and peer pressure.

Hewlett Foundation: The Foundation's programmes aim to: help reduce global poverty, limit the risk of climate change, improve education for students in California and elsewhere, improve reproductive health and rights worldwide, support vibrant performing arts in our community, advance the field of philanthropy, and promote effective and transparent governance around the world.

Institute for Security Studies (ISS Africa): The Institute for Security Studies is an African organisation which aims to enhance human security on the continent. It does independent and authoritative research, provides expert policy analysis and advice, and delivers practical training and technical assistance.

Integrity Action: An international non-governmental organisation promoting an integrity approach to reduce corruption in government, business and civil society, based on education and community integrity building. Practical skills and behaviours are learned and practiced through the alignment of accountability, competence, ethics, without corruption (i.e., with corruption controls).

International Centre for Sports Security (ICSS): Headquartered in Doha, Qatar, the ICSS aims to improve security, safety and integrity in sport by addressing real issues and providing world-leading services, skills, networks and knowledge.

International Chamber of Commerce (ICC): The ICC provides a forum for businesses and other organisations to examine and better comprehend the nature and significance of the major shifts taking place in the world economy. ICC Rules outline the basic measures companies should take to prevent corruption. These ICC Rules are intended as a method of self-regulation by international business and constitute what is considered good commercial practice in fighting corruption.

International Monetary Fund (IMF): The IMF is an organisation of 188 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. The IMF works with its member countries to promote good governance and combat corruption.

Natural Resources Governance Institute: Natural Resources Governance Institute promotes accountable and effective governance in the extractive industries.

Network of Public Institutes and Schools of Public Administration in Central and Eastern Europe (NISPAcee): The core of the NISPAcee activities is to promote the development of public administration disciplines and training programmes in post-Communist countries.

Omidyar Network: Omidyar Network invests in entrepreneurs around 5 key areas: Consumer Internet and Mobile, Education, Financial Inclusion, Governance & Citizen Engagement, and Property Rights.

Open Government Partnership (OGP): The Open Government Partnership is a multilateral initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance.

Open Society Foundations (OSF): The Open Society Foundations work to build vibrant and tolerant societies whose governments are accountable and open to the participation of all people.

Organisation for Economic Cooperation and Development (OECD): OECD uses information on a broad range of topics to help governments foster prosperity and fight poverty through economic growth and financial stability while taking into account environmental implications of economic and social development.

Organisation of American States (OAS): The OAS brings together all 35 independent states of the Americas and constitutes the main political, juridical, and social governmental forum in the Hemisphere. In addition, it has granted permanent observer status to 69 states, as well as to the European Union (EU). The Organisation uses a four-pronged approach to effectively implement its essential purposes, based on its main pillars: democracy, human rights, security, and development. Fighting corruption is a key aspect of the democratic exercise of power demanded under the Inter-American Democratic Charter, and thus, is a priority issue for all OAS member states.

Principles for Responsible Management Education (PRME): The mission of PRME is to inspire and champion responsible management education, research and thought leadership globally.

Regional Anti-Corruption Initiative for South East Europe (RAI): RAI is an intergovernmental regional organisation, which deals solely with anti-corruption issues, covering the nine member states: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania and Serbia.

Southern African Development Community (SADC): SADC is a Regional Economic Community comprising 15 Member States; Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. Established in 1992, SADC is committed to Regional Integration and poverty eradication within Southern Africa through economic development and ensuring peace and security. In 2001 the SADC initiated its 'protocol against corruption'.

Stockholm International Water Institute (SIWI): Founded in 1991, the Stockholm International Water Institute (SIWI) provides and promotes water wise solutions for sustainable development in five thematic areas: water governance, transboundary water management, climate change and water, the water-energy-food nexus, and water economics.

Stolen Asset Recovery Initiative (StAR): StAR is a partnership between the World Bank Group and the United Nations Office on Drugs and Crime (UNODC) that supports international efforts to end safe havens for corrupt funds. StAR works with developing countries and financial centres to prevent the laundering of the proceeds of corruption and to facilitate more systematic and timely return of stolen assets.

Transparency International (TI): An international non-governmental organisation working in the field of anti-corruption and promoting transparency and accountability in societies worldwide.

UN Global Compact: The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

United Nations Economic Commission for Africa (UNECA): UNECA's mandate is to promote the economic and social development of its member States, foster intra-regional integration, and promote international cooperation for Africa's development.

World Economic Forum: The World Economic Forum is the international institution committed to improving the state of the world through public-private cooperation. Their agenda includes the 'Partnering Against Corruption Initiative' which brings business together to work on anti-corruption and transparency issues.

Key Legislation

1948 **Article 19 of the United Nation's Universal Declaration of Human Rights.**
Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

www.un.org/en/documents/udhr/index.shtml#a19

1977 **International Chamber of Commerce (ICC) Recommendations to Combat Extortion and Bribery passed (updated 2011).**
The ICC Rules on Combating Corruption constitute the cornerstone of ICC's anti-corruption work, serving both as a tool for self-regulation by business and as a roadmap for governments in their efforts to fight extortion and bribery.

www.iccwbo.org/Advocacy-Codes-and-Rules/Document-centre/2011/ICC-Rules-on-Combating-Corruption/

1977 **US Foreign Corrupt Practices Act (amendments passed in 1988 and 1998).**
Enacted principally to prevent corporate bribery of foreign officials. This act had three major parts: (1) it required the keeping by corporations of accurate books, records, and accounts; (2) it required issuers registered with the Securities and Exchange Commission to maintain a responsible internal accounting control system; and (3) it prohibited bribery by American corporations of foreign officials.

www.fas.org/sgp/crs/misc/R41466.pdf

1995 **World Bank Procurement Guidelines revised and expanded (further revisions in 1996, 1997, 1999).**
The purpose of these Guidelines is to inform those carrying out a project that is financed in whole or in part by a loan from the International Bank for Reconstruction and Development (IBRD) or a credit from the International Development Association (IDA), of the arrangements to be made for procuring the goods and works (including related services) required for the project.

web.worldbank.org/WBSITE/EXTERNAL/ACCUEILEXTN/EXTPPFRENCH/

1995 **Treaty on the Protection of EU Financial Interests.**
Aims to combat fraud affecting its expenditure and revenue by taking appropriate criminal-law measures, such as criminalisation of fraud, criminal penalties, criminal liability of heads of businesses and rules on jurisdiction.

europa.eu/legislation_summaries/fight_against_fraud/protecting_european_communitys_financial_interests/l33019_en.htm

1995 **Policy Statement by International Federation of Consultant Engineers.**
Includes a number of Policy Statements about issues, including corruption, relevant to the conduct of consulting engineering firms that are particularly relevant to clients and financing agencies in developing countries.

fidic.org/node/744

1996 **Rules of Conduct to Combat Extortion and Bribery adopted by the International Chamber of Commerce.**
These Rules of Conduct are intended as a method of self-regulation by international business, and they should also be supported by governments. Their voluntary acceptance by business enterprises will not only promote high standards of integrity in business transactions, whether between enterprises and public bodies or between enterprises themselves, but will also form a valuable defensive protection to those enterprises which are subjected to attempts at extortion.

books.google.co.il/

| 1996 | **Inter-American Convention Against Corruption approved by Organization of American States.** | www.oas.org/juridico/ english/corr_bg.htm http://www.iadb.org/leg/ Documents/corrupcin%20 Carreo%20Eng.pdf |

The Inter-American Convention against Corruption, adopted in March, 1996, in Caracas, Venezuela, is the first legal instrument in this field which recognises the international reach of corruption and the need to promote and facilitate cooperation between states in order to fight against it.

The purposes of the Convention are to promote and strengthen the development by each of the States' Parties of the mechanisms needed to prevent, detect, punish and eradicate corruption,and to promote, facilitate and regulate cooperation among the States' Parties to ensure the effectiveness of the measures and actions to prevent, detect, punish and eradicate corruption in the performance of public functions and acts of corruption specifically related to such performance.

| 1996 | **UN General Assembly Declaration Against Corruption in International Commercial Transactions.** | dosfan.lib.uic.edu/ ERC/briefing/press_ statements/9612/961217ps. html |

The declaration calls on all nations to criminalise the bribery of foreign public officials in international business transactions, and to eliminate in those countries which still permit it, the tax deductibility of such bribes. It is the fruit of efforts by the United States and a broad coalition of co-sponsors to urge immediate and effective international action against the corruption and bribery of foreign public officials in international commerce.

| 1996 | **UN International Code of Conduct for Government Officials.** | unpan1.un.org/intradoc/ groups/public/documents/ un/unpan010930.pdf |

The General Assembly, in December 1996, adopted the International Code of Conduct for Public Officials, and it requested the economic and social council and its subsidiary bodies, in particular, to follow suit. General principles are: A public office, as defined by national law, is a position of trust, implying a duty to act in the public interest. Therefore, the ultimate loyalty of public officials shall be to the public interests of their country as expressed through the democratic institutions of government. Public officials shall ensure that they perform their duties and functions efficiently, effectively and with integrity, in accordance with laws or administrative policies. They shall at all times seek to ensure that public resources for which they are responsible are administered in the most effective and efficient manner. Public officials shall be attentive, fair and impartial in the performance of their functions and, in particular, in their relations with the public. They shall at no time afford any undue preferential treatment to any group or individual or improperly discriminate against any group or individual, or otherwise abuse the power and authority vested in them.

| 1997 | **Organization of American States (OAS) Convention Against Corruption.** | www.oas.org/juridico/ english/treaties/b-58.html |

Aims to promote and strengthen the development by each of the States' Parties of the mechanisms needed to prevent, detect, punish and eradicate corruption; and promote, facilitate and regulate cooperation among the States' Parties to ensure the effectiveness of measures and actions to prevent, detect, punish and eradicate corruption in the performance of public functions and acts of corruption specifically related to such performance.

| 1997 | **EU Convention on the Fight Against Corruption Involving Officials of the European Communities.** | europa.eu/legislation_ summaries/fight_against_ fraud/fight_against_ corruption/l33027_en.htm |

This Convention is designed to fight corruption involving European officials or national officials of Member States of the European Union. Member States must ensure that any act of passive or active corruption by officials is a punishable criminal offence. In serious cases penalties should include deprivation of liberty and extradition. Moreover, heads of businesses are to be declared criminally liable for active corruption by a person under their authority acting on behalf of the business entity. The establishment of an evaluation mechanism regarding anti-corruption efforts in EU member states is currently debated.

1997	**UN General Assembly Resolution urges members to ratify international instruments against corruption.** This Convention urges all States and competent regional economic integration organisations to sign and ratify the United Nations Convention against Corruption as soon as possible in order to ensure its rapid entry into force.	books.google.co.il/ books?id=_r79_
1997	**Revised International Monetary Fund (IMF) guidelines adopted.** These guidelines concern IMF issues of governance. The Guidance that has now been adopted reflects the strong consensus among Executive Directors on the importance of good governance for economic efficiency and growth.	www.imf.org/external/np/ sec/nb/1997/nb9715.htm
1997	**20 Guiding Principles for the Fight Against Corruption adopted by the Council of Europe Committee of Ministers.** On 6 November 1997, the Committee of Ministers of the CoE adopted the Twenty Guiding Principles for the Fight against Corruption. These guidelines set out a broad spectrum of anti-corruption measures, such as limiting immunity for corruption charges, denying tax deductibility for bribes, free media and preventing shielding legal persons from liability.	wcd.coe.int/ViewDoc. jsp?id=593789
1997	**OECD Anti-Bribery Convention signed.** The OECD Anti-Bribery Convention officially Convention on Combating Bribery of Foreign Public Officials in International Business Transactions) is a convention of the OECD aimed at reducing corruption in developing countries by encouraging sanctions against bribery in international business transactions carried out by companies based in the Convention member countries. Its goal is to create a truly level playing field in today's international business environment.	www.imf.org/external/np/ gov/2001/eng/091801.pdf
1997	**Certification requirement introduced by North American Development Bank (NADB).** The NADB requires anti-bribery certifications from all applicants on projects in which it lends. NADB will decline or cancel financing if a project sponsor has engaged in corrupt activity in the bidding process.	www.becc.org/uploads/files/ becc_annual_report_1997. pdf
1998	**Revised Procurement Policies and Anti-Corruption Policies adopted by regional development banks (Inter-American, European, Asian, African).** Since 1995, the anti-corruption movement has had success in developing a global legal framework to combat transnational bribery and corruption. A distinguishing feature of the current anti-corruption movement is its emphasis on the economic cost of corruption and the involvement of the international financial institutions such as the World Bank, the International Monetary Fund and regional development banks, in the efforts to combat corruption. As part of their efforts to combat corruption, international financial institutions have made effective anti-corruption reforms a prerequisite for future allocation of funds. The current anti-corruption movement has also been successful in enlisting the participation of sectors of international and domestic civil society, as well as the business community, through integrity pacts and codes of conduct.	papers.ssrn.com/sol3/ papers.cfm?abstract_ id=1540144
1999	**Criminal Law & Civil Law Conventions passed by the Council of Europe.** The Criminal Law Convention on Corruption is an ambitious instrument aiming at the co-ordinated criminalisation of a large number of corrupt practices. It also provides for complementary criminal law measures and for improved international co-operation in the prosecution of corruption offences. The Convention is open to the accession of non-member States. Its implementation will be monitored by the "Group of States against Corruption - GRECO", which started functioning on 1 May 1999.	conventions.coe.int/Treaty/ en/Summaries/Html/173.htm

1999	**Group of States Against Corruption (GRECO of European Council comes into effect).**	**www.coe.int/t/dghl/ monitoring/greco/ general/3.%20What%20 is%20GRECO_en.asp**

In May 1998, the Committee of Ministers authorised the establishment of the "Group of States against Corruption-GRECO" in the form of an enlarged partial agreement and on 1 May 1999, GRECO was set up by the following 17 founding members: Belgium, Bulgaria, Cyprus, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Lithuania, Luxembourg, Romania, Slovakia, Slovenia, Spain and Sweden. Since, its membership has grown considerably. Membership in GRECO is not limited to Council of Europe member States. Any State which took part in the elaboration of the enlarged partial agreement may join by notifying the Secretary General of the Council of Europe.

1999	**Organisation for Economic Co-operation and Development (OECD) Convention comes into effect.**	**www.oecd.org/corruption/ oecdantibriberyconvention. htm**

The OECD adopted the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions in November 1997. The Convention entered into force in February 1999 and now has 36 Parties, 2 which represent most of the main countries involved in trade and investment. The Convention only covers the liability of bribers (active bribery), not foreign officials who solicit or receive a bribe (passive bribery). The Convention requires functional equivalence among its Parties.

2000	**Council of Europe Model Code of Conduct of Government Officials.**	**wcd.coe.int/ViewDoc. jsp?id=353945**

The purpose of this Code is to specify the standards of integrity and conduct to be observed by public officials, to help them meet those standards and to inform the public of the conduct it is entitled to expect of public officials.

2000	**Nyanga Declaration calling on Organisation of African States to work on repatriation of stolen assets.**	**www.globalpolicy.org/ component/content/ article/172/30293.html**

The Nyanga Declaration of March 2001 by 11 Transparency International African Chapters, calls for "the sealing of all known loopholes, requiring banks to open their books for inspection where there is reasonable cause to suspect illegal activity, and mandatory liquidation and repatriation of assets known to have been corruptly acquired". It is imperative that African governments engender and demonstrate the political will to fight corruption in a meaningful way and declares that corruption remains one of the primary hindrances to development in Africa. Thus, for as long as governments continue to pay mere lip service to anti-corruption reform, such development and, particularly, the eradication of poverty as elaborated by the Millennium Development Goals will remain unattainable.

2000	**Wolfsberg Principles on Money Laundering and Corruption adopted by major private banks.**	**www.globalpolicy.org/ component/content/ article/172/30293.html**

The Group came together in 2000, at the Château Wolfsberg in north-eastern Switzerland, in the company of representatives from Transparency International, including Stanley Morris, and Professor Mark Pieth of the University of Basel, to work on drafting anti-money laundering guidelines for Private Banking. The Wolfsberg Anti-Money Laundering Principles for Private Banking were subsequently published in October 2000. The main Wolfsberg Principles are: Every client has to be identified, beneficial ownership must be established for all accounts, due diligence (e.g. source of wealth / funds) must be done on all beneficial owners, information on the background of clients should be collected and recorded, principles are globally applicable.

2000 **UN Convention against Transnational Organised Crime.**
In its resolution 55/25 of 15 November 2000, the General Assembly adopted the United Nations Convention against Transnational Organised Crime and two of its supplementary Protocols namely: The Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children and the Protocol against the Smuggling of Migrants by Land, Air and Sea.

www.unodc.org/unodc/ treaties/CTOC/

2001 **Southern Africa Development Community (SADC) Protocol Against Corruption.**
The SADC Protocol Against Corruption aims to promote and strengthen the development, within each Member State, of mechanisms needed to prevent, detect, punish and eradicate corruption in the public and private sectors. The Protocol further seeks to facilitate and regulate cooperation in matters of corruption amongst Member States and foster development and harmonisation of policies and domestic legislation related to corruption. The Protocol clearly defines 'acts of corruption' preventative measures, jurisdiction of Member States as well as extradition. Institutional arrangements for the implementation of this Protocol have been outlined within the document.

www.sadc.int/documents- publications/show/

2002 **Transparency International (TI) Business Integrity Principles introduced and adopted by major companies.**
The Business Principles for Countering Bribery provide a framework for companies to develop comprehensive anti-bribery programmes. Whilst many large companies have no-bribes policies all too few implement these policies effectively. TI encourages companies to consider using the Business Principles as a starting point for developing their own anti-bribery programmes or to benchmark existing ones.

archive.transparency.org/ global_priorities/private_ sector/business_principle

2002 **Sarbanes Oxley Act.**
The legislation came into force in 2002 and introduced major changes to the regulation of financial practice and corporate governance. Named after Senator Paul Sarbanes and Representative Michael Oxley, who were its main architects, it also set a number of deadlines for compliance. The Sarbanes-Oxley Act is arranged into eleven titles. As far as compliance is concerned, the most important sections within these are often considered to be 302, 401, 404, 409, 802 and 906.

www.soxlaw.com/

2003 **Introduction of Judicial Integrity Standard by group of Chief Justices, endorsed by World Court.**
The Bangalore Principles of Judicial Conduct were annexed to the report presented to the fifty-ninth session of the United Nations Commission on Human Rights in April 2003 by the United Nations Special Rapporteur on the Independence of Judges and Lawyers, Dato Param Cumaraswamy. On 29 April 2003, the Commission unanimously adopted resolution 2003/43 which noted the Bangalore Principles of Judicial Conduct and brought those Principles "to the attention of Member States, the relevant United Nations organs and intergovernmental and nongovernmental organisations for their consideration".

www.unodc.org/documents/ corruption/publications_ unodc_commentary-e.pdf

2003 **Council of Europe Uniform Regulations against Corruption in the course of Funding Political Parties and Election Campaigns.**
This important legal instrument, the first of its kind at an international level, is the culmination of extensive exploratory, analytical and political work of different Council of Europe bodies, which has progressively led to the adoption of common standards for the setting-up of transparent systems for the funding of political parties in an effort to prevent corruption.

www.coe.int/t/ dghl/cooperation/ economiccrime/cybercrime/ cy%20activity%20 interface2006/rec%20 2003%20(4)%20pol%20 parties%20EN.pdf

2004   **United Nations (UN) Convention Against Corruption.**
The Convention introduced a new fundamental principle, as well as a framework for stronger cooperation between States to prevent and detect corruption and to return the proceeds. Corrupt officials will in future find fewer ways to hide their illicit gains. This is a particularly important issue for many developing countries where corrupt high officials have plundered the national wealth and where new governments badly need resources to reconstruct and rehabilitate their societies. The purposes of this Convention are: (a) To promote and strengthen measures to prevent and combat corruption more efficiently and effectively; (b) To promote, facilitate and support international cooperation and technical assistance in the prevention of and fight against corruption, including in asset recovery; and (c) To promote integrity, accountability and proper management of public affairs and public property.

www.unodc.org/documents/
treaties/UNCAC/
Publications/Convention/08-
50026_E.pdf

2005   **United Nations Convention against Corruption entered into force.**
The UNCAC is the first anti-corruption convention that is truly global. It takes a comprehensive approach to the corruption problem, as a basis for effectively preventing and combating corruption.

www.unodc.org/unodc/en/
treaties/CAC/

2008   **The European Partners Against Corruption (EPAC) agreed to set up the working group, Common Standards and Best Practice for Anti-Corruption Authorities.**
The network was set up to improve cooperation between authorities mandated with the prevention of and fight against corruption in the European Union, as well as to foster closer relations between Member States and the European institutions. It affords a platform for the exchange of EU-related information on effective measures and experiences, identifying opportunities, and collaboration in developing common strategies and high professional standards.

www.unodc.org/unodc/
en/treaties/CAC/

2009   **OECD Anti-Bribery Recommendation.**
The Recommendation was adopted by the OECD in order to enhance the ability of the States' Parties to the Anti-Bribery Convention to prevent, detect and investigate allegations of foreign bribery and includes the Good Practice Guidance on Internal Controls, Ethics and Compliance.

www.oecd.org/daf/
anti-bribery/

2010   **The UK Bribery Act. The Act was passed on 8 April 2010 and came into effect on 1 July 2011.**
It is of fundamental importance to all commercial organisations that either operate or are registered in the UK. The Act has reformed the criminal law to provide a modern and comprehensive scheme of bribery offences to enable courts and prosecutors to respond more effectively to bribery, wherever it occurs. It is a far-reaching piece of legislation with some provisions that are more extensive than equivalent laws elsewhere including the US Foreign Corrupt Practices Act (FCPA). It applies to bribery in both the private and the public sectors.

www.justice.gov.uk/
downloads/legislation/
bribery-act-2010-guidance.
pdf

2013   **UK Deferred Prosecution Agreements (DPAs). DPAs were introduced in Schedule 17 of the Crime and Courts Act 2013.**
Under a DPA a prosecutor charges a company with a criminal offence but proceedings are automatically suspended. The company agrees to a number of conditions, such as paying a financial penalty, paying compensation and co-operating with future prosecutions of individuals. If the company does not honour the conditions, the prosecution may resume. DPAs can be used for fraud, bribery and other economic crime. They apply to organisations, not individuals. A DPA could be appropriate where the public interest is not best served by mounting a prosecution. Entering into a DPA will be a transparent public event and the process will be supervised by a judge.

www.sfo.gov.uk/
about-us/our-policies-
and-publications/
deferred-prosecution-
agreements-code-of-
practice-and-consultation-
response.aspx

Bibliography

1. Andvig, J. (2000). Research on corruption: *A policy oriented survey - Final report December 2000*. Bergen: Chr. Michelsen Institute.

2. Bruce, W. (1996). *Codes of Ethics and Codes of Conduct: Perceived Contribution to the Practice of Ethics in Local Government.* Public Integrity Annual Vol. I, no. 1. Lexington, KY: Council of State Governments.

3. Cockcroft, L. (2012). *Global Corruption Money, Power and Ethics in the Modern World.* London: I.B. Tauris.

4. Cockcroft, L. (2014) G*lobal Corruption - Money, Power, and Ethics in the Modern World.* Web. Retrieved August 6, 2015. www.upenn.edu/pennpress/book/14360.htm

5. Committee of Sponsoring Organizations of the Treadway Commission (COSO). (n.d.). Web. Retrieved August 6, 2015. www.pwc.com/us/en/cfodirect/standard-setters/coso/index.jhtml

6. Community Integrity Building (CIB) Guide. (2014). Web. Retrieved August 6, 2015. www.integrityaction.org/community-integrity-building-cib-guide.

7. Development Check. (n.d.). Web. Retrieved August 6, 2015. www.developmentcheck.org.

8. Eyler-Werve, J. (Ed.). (2009). *The Corruption Notebooks* 2008. Global Integrity.

9. Faaland, J. (1983). *Does foreign aid reach the intended beneficiaries?* Bergen: Chr. Michelsen Institute (DERAP Publication 139).

10. FixMyStreet. (n.d.). Web. Retrieved August 6, 2015. www.fixmystreet.com/.

11. Flew, A. (1979). Golden rule. I*n A Dictionary of Philosophy* (p. 134). London: Pan Books in association with The MacMillan Press.

12. Friend, C. (2004). *Social Contract Theory. The Internet Encyclopedia of Philosophy* - IEP. UT Martin, Web. Retrieved August 6, 2015. www.iep.utm.edu/soc-cont/

13. GPSA Knowledge Platform. (n.d.). The Global Partnership for Social Accountability (GPSA). Web. Retrieved August 6, 2015. www.thegpsa.org/sa/

14. Galtung, F. (2013). The Fix-Rate: A key metric for transparency and accountability. Working Paper No. 2. Web. Retrieved August 6, 2015. www.integrityaction.org/statistics-measuring-fix

15. Hirschman, A. O. (1970). *Exit, Voice, and Loyalty; Responses to Decline in Firms, Organizations, and States. Cambridge, Mass*.: Harvard UP.

16. Holloway, R. (2006). *How NGOs can use monitoring and advocacy to fight corruption*. Geneva. Web. Retrieved August 6, 2015. www.richardholloway.org/wp-content/uploads/2014/04/NGO-Corruption-Fighters-Resource-Book.-Impact-pdf.pdf

17. Integrity Action. (n.d.). Case Studies. Web. Retrieved August 6, 2015. www.integrityaction.org/resource/case-studies/all

18. Karklins, R. (2005). *The system made me do it: Corruption in post-communist societies*. Armonk, N.Y.: M.E. Sharpe.

19. Klitgaard, R. (1998). *Cleaning up and invigorating the civil service*. Santa Monica, CA: RAND.

20. Mathisen, H. (2003). *Donor Roles in Face of Endemic Corruption - Albania in the policy debate*. Bergen: Chr. Michelsen Institute.

21. MacLean-Abaroa, *R. and Klitgaard, R. (2000). Corrupt cities a practical guide to cure and prevention*. Oakland, Calif.: ICS Press.

22. McLean-Abaroa, R.; Klitgaard, R.; Parris, H.L. (1996). *A Practical Approach to Dealing With Municipal Malfeasance. Urban Management Programme*. (Working Paper No. 7). Marrakech: UNDP/UNCHS/WORLD BANK.

23. Milestones in Health Promotion Statements from Global Conferences. (2009). World Health Organization. Web. Retrieved August 6, 2015. www.who.int/healthpromotion/Milestones_Health_Promotion_05022010.pdf.

24. Mulinge, M. M, and Lesetedi, G. H. (1998). *Paper Interrogating Our Past: Colonialism and Corruption in Sub-Saharan Africa* (Vol. 3, pp. 15-28). African Association of Political Science. Web. Retrieved August 6, 2015. www.academia.edu/10858241/Interrogating_Our_Past_Colonialism_and_Corruption_in_Sub-Saharan_Africa

25. Pepys, Richard G. S. (2003). *The Diary of Samuel Pepys.* Modern Library Pbk. ed. Vol. 1 & 2. New York: Modern Library.

26. Pradhan, S. (2000). *Anticorruption in transition: A contribution to the policy debate*. Washington, D.C.: World Bank.

27. Quah, J. (2007). *Combating corruption Singapore-style: Lessons for other Asian countries*. Baltimore, Md.: University of Maryland School of Law.

28. SeeClickFix. (n.d). Report neighborhood issues and see them get fixed. Web. Retrieved August 6, 2015. en.seeclickfix.com/

29. Shaping policy for development. (n.d.). Web. Retrieved August 6, 2015. www.odi.org.uk/resources/details. asp?id=5257&title=stakeholder-analysis.

30. Tanzi, V. (1998). *Corruption around the world: Causes, consequences, scope, and cures*. Washington, D.C.: International Monetary Fund, Fiscal Affairs Dept.

31. Transparency International (2004) *Global corruption report*. (2004). London: Pluto Press.

32. Transparency International. (n.d.). Global priorities/ public contracting/integrity_pacts. Web. Retrieved August 6, 2015. /archive.transparency.org/global_ priorities/public_contracting/integrity_pacts>.Tyler, T. (2006). *Why people obey the law*. Princeton, N.J.: Princeton University Press.

33. Ugandan leader wins presidential election rejected as fraudulent by opposition. (2011, February 20). The guardian. Web. Retrieved August 6, 2015. www. theguardian.com/world/2011/feb/20/ugandan-leader-wins-presidential-election

34. Vogel, Frank, Retrieved August 7, 2015. www.frankvogl.com.

35. Walker, R .D (n.d.).The Real Revo. Web. Retrieved August 6, 2015. therealrevo.com/blog/.

36. Wells, J. T. (2004). *Occupational Fraud and Abuse*, Austin, Texas: Obsidian Publishing.

37. Werve, J. (2005). *Global Integrity 2004 country reports*. Washington, DC: Global Integrity.

38. Wikileaks. Retrieved August 7, 2015. wikileaks.org/ wiki/The_looting_of_Kenya_under_President_Moi

39. Workshop based on a Training Module on Public Service Ethics and Accountability. (2001). Web. Retrieved August 6, 2015. <http://unpan1. un.org/intradoc/groups/public/documents/eropa/ unpan002651.pdf

40. Wrong, M. I*t's Our Turn to Eat. The Story of a Kenyan Whistleblower.* (n.d.). Web. Retrieved August 6, 2015. www.michelawrong.com/ourturntoeat_syn.html.