

Professional Development Programs for Parliamentarians and their Staff

Corruption

Introduction

In practice, most of us recognize corruption as a nebulous feature to our every day lives, especially in developing country environments. Corruption is a character trait that we most like to associate with people of compromised morals, but even very upstanding citizens can sometimes be a party to subtly corrupt behavior. In government and politics we consider corruption as the abuse of public power for private gain. It comes under many different guises such as bribery, the misappropriation of public goods, favoring family members for jobs and contracts, or creating laws and regulations that aim to impact private gain over the public good.

We know that approximately one trillion dollars (\$1,000,000,000,000) is wasted on corruption around the world *each year*. It lowers the standard of living and decreases the amount of wealth in a country by undermining trust in government, working in favor of the rich and against the poor, worsening the quality and reliability of public service delivery, and discouraging business thereby hurting a nation's development.

When countries tackle corruption they increase their national incomes by as much as four times in the long term. If corruption is reduced, business can grow by as much as 3% faster and child mortality can fall as much as 75%. Finally, it will consider the role for parliament as a role model, legislator and representative in reducing corruption in a nation and improving standards for fighting against it.

The first unit of this module will explain how corruption evolves as a part of the global, national and community framework. It will define the various classifications, situations, and levels of corruption, and will consider how corruption creates an environment for poverty, and can change social, economic and environmental norms.

The second unit of the module looks at the causes for corruption, considering what motivates people to participate in corrupt behavior. The third and fourth units express the need for strong tools to diagnose corruption in order to develop effective responses, including government mechanisms for prevention (e.g. transparency), improving the

governance and civic education of civil servants, elected officials and the enforcement of anticorruption laws against those who use public power for private gain.

The fifth, sixth, and seventh units consider additional responses to corruption. Unit five looks at the role of an informed civil society through the improvement of access to information and better communication with their government representatives. Unit six goes into greater depth on political commitment to anti-corruption strategies through the creation of an Anticorruption Commission, the elements of a national anticorruption strategy, an analysis of the stakeholders, and budget oversight. Unit seven looks at the role of the media for providing a nonbiased source of information to act as an apolitical source to balance the power of government. Finally, the last unit considers the role of parliament in anticorruption strategies. This unit is particularly important for parliamentarians to consider their role in creating anticorruption legislation, developing budget oversight methods, building coalitions with civil society and joining international networks of parliamentarians to share and learn best practices.

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Unit 1: Introduction to Corruption

Learning Objectives

What is corruption and where can it be seen?

After studying this unit, you should be able to:

- Define both public and private corruption;
- List and describe the various classifications for corruption;
- List and explain the situations in which corruption occurs;
- Describe the difference between grand and petty corruption;
- Describe some examples of the costs of corruption.

Introduction

Everyone has an idea that corruption exists but they may not always be able to recognize it when they see it or share the same idea about what it is. Defining corruption and all of its components is important so that people understand why it is bad, how to avoid it, and how to develop rules and regulations to hinder its progress.

This unit attempts to provide an in depth definition of corruption by explaining how it manifests itself in the public and private domains in both administrative and political situations. This unit also explains what classifies corruption and describes the scope in which it occurs.

Finally, and perhaps most importantly, this unit looks at the costs of corruption. Corruption creates an environment in which poverty will grow by disturbing the balance

in the economic playing field. It impacts social and cultural norms, can cause environmental degradation, can detract resources from private sector development, and can harm relations with international aid agencies that might have otherwise provided seamless development assistance.

Defining Corruption

When we think of corruption we recognize it as a clearly bad and damaging description for the nations that allow it. Still, the concept may be vague. Because corruption is such a complex concept, it must be explained in terms of classifications, breadth, situations, and the levels in which it can occur in both developed and developing countries.

Types of Corruption

Evidence of corruption can be viewed through more than simple cases of unethical

Box 1 Public Services

Schooling
Electricity
Fire service
Gas
Healthcare
Military
Police Service
Public
Transportation
Telecommunications
Town Planning
Waste Management
Water
Park Services
Licensing
Post Office
Etc.

government officials taking money from the public purse for their own benefit. It is also seen in dysfunctional government systems, resulting in a loss of public services for ordinary citizens who are often only able to obtain public services in exchange for a bribe, and as a result progress is slowed. For example, if an individual who relies on a drivers' or building license to fulfill his job responsibilities is unable to obtain these documents without paying a bribe, he is unable to do his work, and a portion of economic progress is stalled.

These are examples of public corruption, or the misuse of a public office for personal gain, in which a government official benefits at the expense of ordinary citizens. Public corruption

can take place in two manners. The first is the obvious example when officials embezzle public money, like tax dollars or money given by development aid organization, or money that has been earned through public profit making initiatives.

Public corruption also occurs when public systems are dysfunctional and citizens are forced to deliver bribes or other compromises in order to receive public goods or services. If these citizens do not give a bribe, they will not receive the services at all. This type of activity perpetuates poverty, slows economic progress, and international

Box 2
When Development Aid Hurts a Nation: The Case of Zaire

Mobutu Sese-Seko, the former Zairean dictator, provides a good example of the threats corruption places on international aid for a developing nation. During his 32-year term as president, he allowed businesses to export the country's natural resources at the expense of the environment, labor force, and good governance. These actions stifled the natural freedoms of Zairian citizens. Later, he allegedly nationalized foreign-owned firms, forcing investors out and, handing control of corporations to his friends and family who stole the assets. He used foreign aid to increase his personal worth to approximately \$5 billion in 1984, while the people of the country he ruled starved. The infrastructure collapsed and public workers were left unpaid. His rule earned him the reputation as the quintessential corrupt politician whose reign was wrought with examples of nepotism.

As a result of examples such as Mobutu, today most foreign aid organizations monitor funding to assure they reach their capacity building intentions.

development.

Private corruption, on the other hand, occurs between individuals in the private sector. This includes organized crime, or even the \$20 tip that someone might pay to the busboy to secure the best table in a restaurant.

Since this module is designed for

parliamentarians, it will focus primarily on the more relevant and greater impact of public corruption.

Classifications of Corruption

As it is currently a somewhat in vogue subject of discussion among parliamentarians, you have likely heard many of the classifications and manifestations of corruption in your professional circles, relations with development agencies, international

organizations, and throughout the news. But you may not really know the difference between each. The primary classifications of corruption include bribery, nepotism, embezzlement, fraud, clientelism, and rent-seeking. All of these shady behaviors can occur among people in government positions, positions of leadership in the private sector, and among ordinary citizens. It is important to understand what these actions and behaviors are and to recognize when they occur so that parliamentarians and parliamentary staff can recognize them as negative and learn how to avoid participating in them.

Bribery is the form of corruption that receives the greatest share of reference. It is the essence of corruption. Bribery is an offer of money or favors to influence a public official and can come in the form of a fixed sum, a certain percentage of a contract, or any other favor in money in kind, usually paid to a state official or business person who can make contracts on behalf of the state or business or otherwise distribute benefits to companies or individuals, businessmen and clients. Sometimes the concept of bribery can be hidden under the guise of other terms such as kickbacks, gratuities, sweeteners, commercial arrangements, hush money, pay-offs, and milking. In all cases, these words explain payments that serve to make things pass more swiftly, smoothly and more favorably between two parties who are, in the case of this module, the government and an outside party.

Through bribery corporations and businesspersons can buy political favors, escape the burden of taxes and environmental regulations, and buy protected markets and monopolies, and import/export licenses. Bribery can also be a form of informal taxation when public officials charge additional unofficial payments or expect gifts from clients in order to process a request.

Through bribery business interests can also buy political favors and, for example, escape the full burden of taxation and environmental regulations, buy protected markets and monopolies, import and export licenses, and gain access to large state contracts on capital goods or major civil engineering projects. All of these activities compromise free

competition and disturb the national economy. (For more information on ethics violations, see the Ethics Module in this series.)

Nepotism is another common form of corruption that occurs when officials favor relatives or close friends for positions in which they hold some decision-making authority. This type of favoritism is the natural human proclivity to give preferential treatment to friends and families, and occurs in both the public and private sectors. For example, imagine that a student is the headmaster's nephew and his teachers report low marks for his classes. If the headmaster changes the low marks to high marks, he has fallen victim to the temptations of nepotism. Or conceptualize an elected official who comes to office and fills the posts in the executive branch with his under-qualified friends and family rather than qualified people who apply for the posts. The official is also guilty of nepotism. In the case of the young student, he will likely not learn well the content of the lesson put to him by his teacher, will lose a level of academic self-esteem, and learns that you need not work hard to get ahead, but to have connections to people of power. In the case of the political positions granted to under-qualified friends, the fate of the nation is hampered since unqualified people will be guiding policy and national decision-making process. Furthermore, there is less likely to be a balance of power since the political staff may follow the ideas of the person who gave them the position. As a result, the quality of services provided to the people will be diminished.

Clientelism is at the heart of how corruption is spread through the government. It is characterized by "patron-client" relationships in which relatively powerful and rich "patrons", in the case of parliamentarians, political candidates, promise to provide relatively powerless and poor "clients" with benefits, such as jobs, protection or infrastructure, in exchange for votes. These relations are corrupt because they exploit the poor or disenfranchised to become indebted to the elected, for work that is a part of his job responsibilities. Thus, the democratic principles that define the political process are reduced. The problem is further exaggerated when clients are not only fed promises, but coerced and intimidated so that control is maintained. Furthermore, some politicians fail to deliver on their promises. Obviously, when the criminal behavior of theft is

committed by a person of power, they should be convicted just as an ordinary citizen would.

Embezzlement occurs when public officials steal money or other government property, or when disloyal employees steal from their employers in the public and private sectors. When embezzlement occurs in the public sector it affects the innocent citizens because public officials misappropriate resources meant for public services. Embezzlement is not limited to money, but includes all goods that were meant for the people. Sometimes parliamentarians and parliamentary staff, among other public figures, will participate in embezzlement in subtle or accidental ways. When, for example, they forge receipts, or use government property or personnel for personal, unofficial use.

Box 3
Examples of Fraud in the Public Domain

It is a serious fraud when parliamentarians and other government officials have an active role in these criminal activities, such as:

- Depositing public money into untraceable, personal off-shore accounts;
- Liquidating banks to steal from the people;
- Printing large amounts of money through the central bank to pay civil servants and create the impression that the economy is doing well, when it is not;
- Receiving private loans that will never be paid back;
- Issuing falsified certificates of country of origin and of brand names of commercial goods;
- Enabling counterfeit goods to be bought and sold.

In all cases of embezzlement, the public is deprived. Often, though, citizens do not know they are and do not know their legal rights. Therefore, in order to overcome embezzlement, many governments instill an independent judiciary with the legal capacity to stymie embezzlement. When public embezzlement occurs, it disturbs the balance of the national budget and cheats people of the goods and services to which they are entitled by virtue of their citizenship.

Embezzlement is a form of corruption and power abuse that can develop in more confined

environments, secretly without the public's knowledge, or opportunities for public

sanctions. Embezzlement presents a threat to corrupt countries, as it is sometimes one of the quickest ways to gain wealth. For example, some power-holders use their political office to build their private business interest. In some countries businesses and property are nationalized and given government officials or their families. The trend may be further expanded when a government aims to expand its privatization efforts and sells former state enterprises and parastatals under cost to friends and family members of parliamentarians, ministers or presidents.

Fraud occurs when a person cheats another through deceit. It is usually a financial crime in which someone manipulates or distorts information and facts. For example, false advertising, identity theft, illegal trade networks, counterfeiting and racketeering, forgery, smuggling, confidence tricks and other actions of deceit are examples of fraud. In the public domain, a public official who commits fraud manipulates the flow of information for his personal profit.

In cases of extreme fraud, government employees facilitate economic crimes by "official" sanction. Even when they are not actually involved in fraudulent activities, government officials who ignore the fraud are set to be passively participating in the fraud that is committed by others.

Extortion is another example of corrupt behavior in which one person coerces another to pay through money, goods, or favors for an action. In government, extortion occurs when government agencies do not provide services quickly, and as a result individuals will offer money to make the application or service be delivered more quickly. As a result, those who pay receive preferential treatment, making the service not really public.

According to *The Economist* magazine, Rent seeking is cutting you a bigger slice of the cake rather than making the cake bigger, or trying to make more money without improved productivity. Technically speaking, that is just a part of the definition as it can manifest itself in many different ways. It is the process by which an individual, organization, or firm seeks to profit by manipulating the economic environment, rather than improving and expanding economic activity. Often times rent-seeking behavior is

considered corrupt because it implies that money, or potential earnings, are reallocated in a manner that is not beneficial to or approved by all stakeholders. Rent seeking also occurs when monopoly privileges are sought, for example a major media company is engaged in rent-seeking behavior when it seeks to change the media ownership laws in its favor or against other companies because it benefits not by producing something that others want to pay for through the market, but by the force of law. When there is a redistribution of wealth by shifting the government tax burden or government spending, it is also sometimes considered rent seeking. Whether legal or illegal, as they do not create any value, rent-seeking activities can impose large costs on an economy.

Conflict of Interest as Corruption

Box 4 **Examples of Conflicts of Interest**

Conflicts of interest can be divided in the following manners:

- Self-dealing, in which privately held business interests collide with the public's interests, for example issues involving, outside employment, in which the interests of one job contradict another;
- Family interests, in which a close relative is employed or where goods or services are purchased from such a relative;
- Gifts or services from friends who also do business with the person receiving the gifts.

Corruption also occurs when there is a known conflict of interest between a decision-maker's policy duties and his or her personal self-interest. Even if there is no evidence of improper actions, a conflict of interest can create an appearance of impropriety that can undermine confidence in the ability of that person to act properly in his/her position. The United Nation's uses an example of how this can happen through influence peddling in the

following example: "With the intent to profit from secret information, a public official buys land in the area where a large development is planned to be built. This official votes in favor of granting permission to the real estate developer to build its project. Regardless of whether or not this project is in the best interest of the public, this official has exploited a conflict of interest for personal enrichment."

Situations for Corruption

While discussing the different types of corruption, an important distinction must be made between administrative corruption and political corruption. Administrative corruption is corruption that alters the implementation of policies, such as getting a license even if you do not qualify for it. Political corruption, on the other hand, influences the formulation of laws, regulations, and policies such as revoking all licenses and gaining the sole right to operate the beer or gas monopoly.

Levels of Corruption

It is also important to distinguish between grand corruption and petty corruption. Grand corruption involves substantial amounts of money and usually high-level officials, while petty corruption involves smaller sums and typically more junior officials.

With grand corruption highly placed individuals exploit their positions to extract large bribes from national and transnational corporations, who appropriate significant pay-offs from contract scams, or who embezzle large sums of money from the public treasury into private bank accounts. It is also when politicians design legislation to work in their favor. Grand corruption mostly occurs in large procurement projects such as the building of roads, dams, hospitals, airports, mining, oil/gas concessions, construction projects and in arms and defense contracts, in new weapons technology, aircraft purchase, warships, and artillery pieces. Grand corruption involving public officials is referred to as kleptocracy.

Petty corruption, on the other hand, is the low level corruption that citizens will face every day in their encounters with corrupt public officials, in the struggle to obtain public services such as health care, education, paying taxes, and obtaining licenses. This type of corruption is referred to as petty because the amount of money required in petty corruption is lower. However, even though the sums are low in stand-alone cases, petty corruption will often add up to quite a large sum of money. So even in case where there

is very little grand corruption with the elite, a large amount of petty corruption in the lower offices of government or outside of government can do just as much harm, if not more.

The Costs of Corruption

Corruption is damaging for the simple reason that important decisions are determined by ulterior motives with no concern for the consequences to the wider community, and its costs reach just about every sector of a government and society where corruption occurs. Even if you do not come into direct contact with corruption, it affects you. From increasing poverty to changing social norms, to environmental degradation, to impacting the economy, corruption proves a very dangerous vice that raises the costs of goods and services and increases the debt of a country.

High levels of corruption can threaten economic stability, slow down growth, weaken institutional capacity, and reduce resources available for social programs. But where institutional capacity is weak, governments cannot effectively implement their poverty eradication policies and programs. For example, if the government is unable to make accurate budget forecasts, it is hard to see how appropriate spending decisions can be made. However, corruption undermines public institutions and distracts officials from their duties.

Corruption & poverty

Corruption's impact on a nation's economy and developmental growth is great. It reduces the overall wealth in a country, often discouraging businesses from operating in the instability that defines it.

- The average income is about three times lower than in less corrupt countries.
- Reduces the amount of money the government has to pay good workers and purchase supplies for government operations.

- Distorts the way the government uses its money;

As a result, schools, health clinics, roads, sewer systems, police forces, and many other services that governments provide are worse than they would otherwise be as the government doesn't have trust, economy or the workforce to ensure that supply meets demand. Citizens are therefore less healthy, less educated, unsafe, and unable to grow their economy. In addition, corruption allows money or connections to determine whether rules or laws are enforced. For example, they can pay off judges through bribery to divert resources to their land, or pay off police to prevent personal conviction. For these reasons, corruption harms the environment and undermines trust in government.

Corruption is also an enormous contributor to poverty in a nation or community. Politically, corruption creates an environment for unsound economic policies, unpredictable processes, distorted public expenditures. In business corruption will often result in unnecessary payments and the misallocation of talent. Administrative barriers and weak property rights will also hit the poor harder. Healthcare and education are also unequally distributed due to low government revenues, poor service delivery, and less money for bribes, causing the poor to also be denied those basic human rights due to corruption. Finally, in a corrupt environment the elite have power over judicial decisions, with decisions often made to the detriment of the poor.

Undermining Environmental Policies & Laws

Box 5

OPEC Countries	Confidence Range
Iraq	1.6-2.1
Indonesia	2.2-2.6
Iran	2.3-3.1
Kuwait	4.0-5.4
Libya	2.4-3.2
Angola	1.9-2.4
Algeria	2.7-3.6
Nigeria	2.0-2.3
Qatar	5.6-6.5
Saudi Arabia	2.2-3.7
United Arab Emirates	5.6-6.9
Venezuela	2.2-2.4

Where natural resources are abundant, the incidence of corruption appears to increase. Corruption encourages the over-exploitation of forests, fisheries, and farmlands for profit without considering the long-term impact this exploitation will have on livelihoods and the sustainability of these environmental gifts. For example of the 12 OPEC countries, only two have a confidence range

on Transparency International's Corruption Perception Index beginning above a 5 from a zero to ten scale.

Most developed governments will have a policy for protecting their nation's natural resources and environment. However, sometimes these laws are not well monitored and people are paid off to ignore the laws so that the land or resources can be over harvested at amounts that can hinder the environment, thus impacting economic growth. Even in cases where there are not national environmental policies, there are international environmental policies, though most people do not know they are there to protect them. Finally, corruption often allows corporations to get away with *not* following the same environmental accountability standards as small companies and individuals. Instead, they manage to bypass inspections and monitoring systems by justifying that, despite the environmental harm, their business is good for the economy. Ultimately, though, this will hurt the economy and quality of life for the people when the environmental harm catches up with them.

Box 6
Examples of International Environmental Treaties

Framework Convention	Vienna Convention
Montreal Protocol	Basel Convention
Convention on Biological Diversity	Convention on International Trade in Endangered Species
UN Law of the Sea Convention	Rio Declaration
Kyoto Protocol	And many others

Source: <http://sedac.ciesin.org/entri/>

Development Assistance and Aid

The relation between corruption and development assistance is somewhat paradoxical. Usually today, when development aid is granted to a needy country, it is monitored quite closely to avoid corruption. A threat for corruption occurs because development assistance provides new resources to plunder. But the problem can be more complex because when money goes in for one purpose, say improving civic education, it frees up the previously earmarked funds for another, potentially corrupt use. In addition, corruption can appear at all stages of aid from the design and bidding stages to the

implementation and auditing stages. Therefore, without the pillars of good governance in place, aid effectiveness declines.

Development assistance and aid is also worth noting because with increasing frequency, development aid organizations will not give funding to a country *unless* there is a clearly stated anticorruption platform (see unit six.)

Since corruption encourages and rewards selfishness and denigrates collective action, it can be disempowering to the people and encourage their sense of alienation by undermining respect for authority and increasing cynicism about leaders at all levels of society. Corruption also impacts social and cultural norms as it discourages participation in civil society. Finally, corruption's tendency to divert resources from the poor also impacts social norms, for example, by reducing the quality of education, literacy levels and civic empowerment. As a result of corruption, researchers believe that the poor will be marginalized and social exclusion will increase.

Conclusion

This Unit looked generally at how corruption takes form and how it impacts every sector of the society that it governs. The next unit considers what causes corruption and will begin to show you appropriate responses to corruption.

Unit 1 Questions

Please answer each of the following questions. If you are taking this course in a group you may then meet to discuss your answers.

1. From your experience, as parliamentarians, parliamentary staff, or as ordinary citizens explain examples of public and private corruption?
2. Provide an example of each of the major classifications of corruption, bribery, nepotism, clientelism, etc.
3. Explain how embezzlement and extortion are different.
4. How has corruption impacted your nation most markedly?

Select Bibliography

Ackerman, Susan Rose. Corruption and Government: Causes, Consequences, and Reform. New York: Cambridge University Press, 1999.

Gray, C.W., Kaufman, D. (1998), "Corruption and development", *Finance & Development*, World Bank, Washington, DC.

Internet Resources

United Nations Manual on Anticorruption Policy

<http://www.unodc.org/pdf/crime/gpacpublications/manual.pdf>

Unit 2: Causes of Corruption

Learning Objectives

What causes corruption?

After studying this unit, you should be able to:

- Define good governance;
- Provide some motivating factors for participating in corrupt behaviors;
- Name and describe the pillars of good governance.

Introduction

The antithesis to corruption is good governance. The term governance alone refers to the way government carries out its work through decision-making and implementation. *Good* governance accomplishes the functions of governance without abuse and corruption, and with regard for the rule of law. When there is not evidence of good governance through such qualities as accountability, responsiveness, transparency, and efficiency (see Unit 2), when policies are not effectively implemented, and public services are ineffective or unavailable, there is corruption. Put simply, one could conclude that corruption occurs where good governance is lacking. The question remains, if good governance benefits the population and corruption causes suffering, as we learned in Unit One, why would people participate in corrupt behavior?

This unit takes corruption apart by looking at the possible scenarios that would motivate people to participate in the unethical and dishonest behaviors that define it. The unit

also explains what situations cause dysfunctional governments to foster a more corrupt world.

Motivation for Engaging in Corruption

Henry Kissinger once said, "Corrupt politicians make the other ten percent look bad." From a personal desire for an unfair advantage, to distrust in the justice system, to complete instability in a nation's identity, there are numerous factors motivating people of power, parliamentarians included, and indeed ordinary citizens, to engage in corrupt behavior.

Governance problems can be more or less serious, and can vary from one part of government to another. It is one of the key governance problems that a country may face. Governments are vulnerable to corruption when their institutions are:

- Involved in clear cases of corruption;
- Inefficient;
- Unresponsive;
- Secretive; or
- Inequitable.

In this unit, we take apart these most common motivating factors for corruption in the governance process and among government agents.

Desire for an Unfair Advantage

Many officials are motivated to participate in corrupt behavior because of the inherently selfish desire to have an unfair advantage over their peers. Through bribery, extortion, embezzlement, nepotism and other means, corruption can help dishonest people get ahead while the public pays the price. A corrupted politician may seek to sway a

person's opinions, actions, or decisions, reduce fees collected, speed up government grants, or change outcomes of legal processes. Through corruption, people seeking an unfair advantage may pay courts to vote in their favor or, as with police, customs units, and tax collectors, to disregard a penalty. Bribery may be paid to allow for otherwise unacceptable building and zoning permits, to sway school exam results or allow acceptance by an unqualified student into a school system. People in the private sector may pay off politicians so that they dismiss rules and regulations to protect employees in the workforce. Corruption motivated by an unfair advantage may also occur in immigration, passport and visa offices in which unqualified individuals may be allowed an unfair advantage to obtain these important documents, at the expense of others.

In order to obtain an unfair advantage, governments and government officials may apply any number of methods to abuse their power over the citizens. First, a politician may apply diplomatic, political, or financial pressure, for example trade embargoes. However such pressures may also work to effectively bully vulnerable citizens. Also, many countries are the recipients of development aid, which might cause politicians who seek an unfair advantage to earmark this funding towards their particular cause. The threat of reduced foreign aid, defense ties, arm deals, and gifts may help politicians to obtain an unfair advantage through corruption.

Lack of Punitive Measures

Thomas Hobbes, the great political philosopher, once said, "A man's conscience and his judgment is the same thing; and as the judgment, so also the conscience, may be erroneous." This idea that individuals cannot always rely on a working inner moral compass alone to guide them to virtue is at the heart of the next motivating factor for participating in corrupt behavior.

When the legal agencies do not impose sanctions on parliamentarians and other government officials who have violated their public duties there is a lack of punitive

measure for corrupt behavior. This is the case, for example when judges are in the pay of the ruling party or there are too few police officers to enforce the law.

When there are not punitive measures to assure transparency, monitoring, and accountability through a working justice system, some people will participate in corrupt behavior simply because they can get away with it. Politicians and other individuals require a legal, monitoring system to assure that corruption will not occur in the planning and execution of public sector budgets. Social and internal control mechanisms are required for civil society and autonomous state auditing agencies. Without them or with only weak enforcement measures, people in power are more likely to embezzle money from the national budget, sway votes or participate in other actions that will result in personal gain at the public's expense.

Lack of Transparency

Transparency describes when there is free access by citizens to public information. When the rules, procedures, and objectives of the government are not available to the public, there is not budgetary and administrative oversight to balance the power of government officials, transparency is lacking and corruption can be bred. Without oversight and transparency of budget and rules, national resources may be plundered and power may be abused in favor of the corrupt official only.

Further, when there are not public sector mechanisms that channel social preferences and specific complaints of the population to the agencies involved in those complaints, people of power will not serve their purpose of representing the populace, but have free reign to do as they please in the public sector.

Lack of transparency creates opportunities for public officials to abuse their office for private gain. This closely relates to accountability, and weak accountability mechanisms tend to facilitate corruption. Where there is a lack of transparency and accountability corruption will flourish. Once corrupt bureaucrats realize that they can take advantage of

regulations, they will produce more regulations and run the risk of becoming less transparent.

Poor Incentive Structures

Bad incentives, such as clerks not earning a living wage or not having job security might also encourage corrupt behavior such as supplementing income with bribes. Some people who do not have an incentive to perform their official duties, but actually pay for their jobs with the understanding that they will make money through bribes. A lack of incentive also results when positions of power are granted as a result of favoritism and nepotism (See unit 1). Making people resist hard work.

Incentives also come into the picture when salaries are so low that people cannot meet the basic living standards for food and housing. As a result, people will often take other jobs that cause absenteeism of public officials, and often increase the demand by government officials for bribes and other paybacks in order to supply the public services. In another example, teacher absenteeism, teachers who are underpaid sometimes feel forced to supplement their income with other work, causing absenteeism. This absenteeism may not result in bribes, but may instead result in a lost public service for the students, thus stalling progress among that student population.

Question: How would you suggest increasing salaries of government officials in order to avoid a cycle of corruption among politicians? What other solutions are there?

Problems with the law: Lawless and Over Regulated Governments

Corruption can also be caused when there is excessive control and a sort of monopoly of power. In these circumstances, there again is not a level playing field, and decisions will always be made at the advantage of the group or person who dominates political control. As a result, ordinary citizen rights are lost and public resources are often

plundered for the personal gain of the public officials. Poverty or scarcity of goods may also push people to live outside the law.

Finally, corruption occurs when government officials resist government policies and programs. Introducing policies that allow for greater oversight would help to assure that power were balanced and no one person would be making all of the political decisions. When politicians resist this change they prevent political and cultural progress for their country, prohibit civic interests from being met, and allow the pattern of corruption to flourish.

Dysfunctional Systems as a Cause for Corruption

Instability in government may also catapult a nation and its leaders towards corruption. Among them, war, ethnic or religious conflict, economic hardship, and social inequalities may instigate corruption. Any circumstance that threatens a nation or its people either through identity or establishment may diminish the good governance practices of a nation. Even in less difficult times, the institutions and policies of government may undermine how well the government carries out its work. When institutions and policies are weak, individuals tend to take advantage of them. Therefore, poor governments are a product of sick institutions, or institutions that function poorly because of inadequate resources or bad policies and procedures.

As stated earlier, good governance refers to the provision of services that are responsive to citizen needs. When government services are not provided to citizens, either because they were deemed unnecessary, services providers demanded bribes or were lazy, or the services are provided in theory but are not readily available in practice without a bribe, people will aim to have their needs met illegally or unofficially. Likewise, when financial systems are outdated, they are more corruptible.

Box 1

System-Wide Allowances for Corrupt Behavior:

Government may allow system wide corruption to spread by not institutionalizing and enforcing prevention mechanisms. For example:

- Overly complex procedures for obtaining public services allow government to covet the services to only the well-informed or well-connected elite, and not allowing the system to work for the poor.
- Lack of internal systems to assure relative transparency, monitoring and accountability in the design and execution of public policies.
- Lack of social control mechanisms aimed at preventing grand corruption schemes usually seen when the state's policies are captured by vested interests.
- Lack of employee participation in and knowledge of the public institution's decision-making criteria.
- Absence of results based management in public service delivery.
- An ineffective judicial sector (police, prosecutors, officers, and the judiciary.)

Conclusion

Problems in governance occur when a government is not only corrupt, but also when it is inefficient, unresponsive, or secretive. Essentially, when a government is ineffectual, it is considered to be corrupt. As this unit explained, corruption is fundamentally caused by low wages, poor incentive structures and inefficient systems. In addition, it is also caused by the desire for an unfair advantage, and the knowledge that one will not be caught or punished for corrupt behavior. Corruption is not just about ethics. It is also about how the government is set up and managed. Parliament and parliamentarians improve the way government works so that corrupt behavior is punishable and opportunities for corruption are limited through the laws.

In order to fully rectify corruption in a society, it must first be thoroughly diagnosed. Unit three shows methods for diagnosing, measuring, and interpreting data on corruption. As the units thereafter will explain, this step will help to make focused and measurable changes and improvements to corruption when those mechanisms are enacted.

Unit 2 Questions

Please answer each of the following questions. If you are taking this course in a group you may then meet to discuss your answers.

1. How would you suggest increasing salaries of government officials in order to avoid a cycle of corruption among politicians? What other solutions are there?
2. What is the difference between good governance and anticorruption?
3. You learned of the major motivating factors for participating in corruption. Which, if any, have provided impetus for you to engage in either publicly or privately unethical behavior?
4. In what way do you think the government or national environment determine whether or not corruption will occur?

Select Bibliography

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Stapenhurst, R., Johnston, N., and Pelizzo, R. The Role of Parliament in Curbing Corruption. Washington, DC: The World Bank, 2006.

Internet Resources

Transparency International
www.transparency.org

Amnesty International
www.amnesty.org

Unit 3: The Prevention, Education, and Enforcement of Corruption

Learning Objectives

Can education and enforcement end corruption?

After studying this unit, you should be able to:

- Understand effective corruption prevention methods;
- Be familiar with the pillars of good governance;
- Understand the role of education in corruption prevention.

Introduction

How can responses to corruption bring about meaningful change? How do you motivate and teach people to fight against corruption? How do you make sure that public money goes towards the public good and assure that there are not opportunities for corruption to occur? Who are the stakeholders and what role do they play in the corruption response? This and the following three units consider appropriate responses to help curb corruption, with a particular emphasis on the role of parliamentarians. This unit looks to prevention and education for providing the foundation to corruption prevention and governance building. The next units describe how to improve civil society involvement and the impact that this involvement can have on further corruption prevention, the necessity of a political commitment through such means as new laws and better internal enforcement mechanisms, and the importance of a free and open media.

Prevention

Most will agree that evidence of widespread corruption is adequate cause for addressing its prevention through education. The diagnoses for corruption through data collection and analysis, as discussed in unit three, will help in planning and designing a path to address the largest problems in a particular country or community. However, this is not ever enough. Developing a prevention scheme also requires reformers to consider the social and economic context of the nation, determine the level of government commitment to responding to and preventing the problem, determine what resources are available and needed for the prevention process. Reformers should also determine the stakeholders, and who, whether government or nongovernmental entities, should participate in the prevention strategies.

Still, in order to be effective, the prevention mechanism needs a sense of order. Imagine how ineffective prevention would be if every inspired organization followed its own technique and were motivated by its own priorities; or worse, envision the consequences if no one were adequately motivated to impact change and promises were never realized.

Rather, corruption prevention will make the greatest impact when there is a national focal point to coordinate the corruption prevention efforts, and when this body has the political authority to make an impact. One option is to create a single agency that acts as an Anticorruption Agency (See Unit Six). Since a single agency usually requires a large budget and an effective staff. However, that may not always be a viable option. The second option might be to create an interagency coordinating body, where the institution assures the cooperation of existing institutions that are directly faced with corruption, each assigned to different tasks to end the corruption problem. Whatever method is applied, a prevention mechanism is most effective when there is a clearly stated plan.

Preventing corruption entails eliminating opportunities for its growth, increasing transparency and oversight of government functions, and improving incentives for good performance in public office. Eliminating permit requirements, price controls, tariffs and other controls may also remove opportunities for corruption, as you will learn a little later. Simplifying procedures for granting permits, licenses, bank loans and passports and explaining these procedures in signs, leaflets, and handbooks will raise awareness and reduce factors that motivate individuals to thoughtlessly participate in corrupt behavior. Complicated and concealed procedures often force applicants to resort to payoffs to maximize their chances of getting that which they are legitimately entitled. It is also important to provide incentives for ethical behavior by paying a living wage and improving professionalism and morale in public employment. In addition, incentives should be granted for people who report corruption, or whistleblowers, since they can be an invaluable source of information about where corruption and inefficiency occur in an organization.

Governance can be good or bad. Good governance indicates a more constructive relationship between the people and the government is vital in almost every aspect of our daily lives, and as such, we can improve governance to create a better society by applying some key components/concepts to good governance.

Transparency

Transparency is key to good governance because it indicates openness in government systems. Therefore, because people in positions of leadership have nothing to hinder a commitment to it means that information is available in a timely and accurate fashion and that information provided to the public is useful. Because of transparency, citizens know what they can expect from their government. Without it, they are unaware of opportunities, regulations or procedures established by the government, and therefore, they cannot use them for their benefit. Transparency in governance is crucial because it enables citizens to control their government's actions and builds trust among politicians. Therefore, it also involves the clarity of roles and responsibilities between and within

institutions that are part of government processes. Because transparency is built on the free flow of information, processes, institutions and information are directly accessible to those concerned, and enough information is provided for citizens to understand and monitor them.

Transparency is crucial, therefore, because it enables citizens to control their government actions, and defines the roles and responsibilities between and within institutions that are part of government processes. Without transparency people in positions of leadership are more prone towards abusing their power and working under or outside of their responsibilities.

Accountability

Once positions are well defined and government activities and information is made available in the public, parliamentarians must also learn to be accountable in order to prevent corruption. Through accountability public officials and their representatives are held to standards of conduct that are clearly in the public interest. This requires rules of conduct that are transparent, straightforward and broadly accepted in society, as well as administrative and legal processes to discipline or remove officials who do not respect such rules.

There are two relationships of accountability: that of government workers to elected officials, and that of the elected officials to the citizens who elect them. In the first type accountability can be difficult to achieve since civil servants, particularly professionals in such fields as health, education, and agriculture often evade control by locally elected officials. When accountability occurs between elected officials and the citizenry government officials have to explain or justify what they have done or failed to do for their people. Only then can we guarantee that leaders will actually act according to their citizens wishes.

Accountability is reporting actions and being held to standards. Because of the power of accountability, citizens have not only a say in official decisions, but also have the right to hold their rulers to account. It is the obligation of parliamentarians and other power holders to account for or take responsibility for their actions.

Reciprocity

In Philosophy, reciprocity refers to the fundamental moral principle to "treat others as you would like to be treated." In governance, this rule is also considered golden with the word's meaning tweaked to refer to nations, classes, and levels of power among a community's citizens.

Through the principle of reciprocity, favours, benefits, or penalties that are granted by one institution or individual to another, should be returned. For example, reciprocity has been used in the reduction of tariffs, the grant of copyrights to foreign authors, the mutual recognition and enforcement of judgments, and the relaxation of travel restrictions and visa requirements between nations.

Cooperating in a system that reflects the principle of reciprocity demonstrates that the government is building a standard for behaviour among officials. These standards exert their own pressure for government action, contributing to the development of long-term obligations between institutions, individuals, and levels of power. This concept is important as a goal for good governance since ultimately, they will not need to seek repercussions to poor behavior, but can act with confidence knowing that their cooperative actions will be repaid in the long run.

Participation

Reciprocity, accountability, and transparency refer largely to the people in positions of power, but for corruption to truly be avoided, the other part of the equation, citizens,

must also be considered. Participation is the process through which citizen's influence and share control over government's priority setting, policymaking, resource allocation, and access to public goods and services. Parliament is in a position to play a leadership role in promoting greater participation by opening up its practices and procedures to the public. For example, parliamentary debates could be televised and records of these debates could be made publicly available, including through the Internet. Constituency offices as well as elected officials at all levels can also help foster greater participation. Furthermore, committee meetings should be open to the public so that closed meetings are the exception rather than the rule.

Rule of law

Effective government should also be able to contribute toward improving the quality of governance in a country by ensuring that the rule of law is administered fairly, and in general, the government conducts sound policies that improve the lives of its people. The rule of law implies equality before the law and equal protection of the law. In good governance systems, violations of the law should result in punishment no matter what position the lawbreaker holds. Rule of law also maintains that the guilty not *escape* punishment and that the innocent not *be* punished. The lack of rule of law leads to an inefficient, unfair and corrupt system, which is inconsistent with an environment for good governance. Systems with rule of law create opportunities for overlapping authorities, which aim to extract benefits from their strategic situations to benefit themselves over the citizenry. A fair and effective application of the rule of law, to the contrary, contributes to providing a deterrent effect towards corruption and criminal behavior in general. (See Unit 4 for more information on the Rule of Law.)

Oversight

Taking all of these components to corruption prevention a step further is the opportunity for oversight responsibility that both the citizens and parliament can play.

Parliaments have a key role to play in overseeing and reviewing access to information regimes and ensuring that the public's right to know is guaranteed. Parliament's oversight role includes mechanisms such as questioning ministers about their activities and priorities to holding ministers accountable for any failures to implement the access to information law in their ministries, to maintaining the national budget. Parliament has an opportunity to play an oversight role with the independent administrative bodies and can play a leading role with respect to appointments to and funding of government bodies. Oversight involves monitoring the appointment process of officials to assure that government is conducted in a transparent and ethical manner.

Incentives

Just as rewards are often granted for individuals who return a lost item, or turn in a criminal, it is important to promote incentives through rewards and protection for people who report corruption, or whistleblowers, since they can be an invaluable source of information about where corruption and institutional inefficiency.

The public interest-institutionalist perspective also promotes incentives for ethical behavior but puts the onus on the institution rather than on the whistleblower. This theory explains that institutions shape individual officials rather than the general population, and that financial advancement is as much an incentive for corruption as non-financial benefits. The frequency and scope of corruption by individual officials is limited by the norms, structure, and capacity of the institution in which they work. Therefore, people act corruptly because their institution allows it.

Elimination of Price Controls

Price controls are a form of government intervention in the economy in which a government agency regulates the prices that would have otherwise fluctuated with consumer needs. The government agency may attempt to enforce the exact prices at

which a particular good or service could be sold, or set "ceiling prices", which set a maximum price that may be charged but do not prohibit transactions at lower prices or "floor prices", which set a minimum price that may legally be charged but do not prohibit transactions at higher prices for particular goods or services.

Price controls involve a distinction between those involving theft and those without. Price controls are dangerous when officials turn over the actual price of the good to the government, sell a license for a government price plus a bribe and, the official keeps the bribe. In the case of corruption with theft, the official keeps all the money and does not give any to the government. For example, customs officials let goods through for less than official duty but do not pass the money on to the government.

Simplification of Procedures

Simplifying public procedures can also help avoid opportunities for corruption as they make the transaction between citizens and the services they are entitled to swifter. By making information publicly accessible, legal rights are not infringed and obligations of confidentiality are kept. When public data and official information are made available by the government to the people. Procedures for such things as granting permits, licenses, bank loans and passports are simplified and opportunities for bribery are reduced. When procedures are complicated applicants are forced to resort to payoffs to maximize their chances of getting what they ask.

Education: The Backbone to Corruption Prevention

In addition to the prevention methods already mentioned, educating people of all ages and backgrounds is a key component to corruption prevention.

Through education, citizens can learn both their rights and raise awareness about their government systems, work, and learn how corruption is a problem that lowers their

standard of living, and how it can be resisted in their own lives. As a result of education, citizens learn to think beyond whether giving a bribe contributes to the problem in their country more generally, but also understand to what government services they are entitled, why corruption occurs, and what, if any, institutions are available to help them to be protected whistleblowers.

Civic and Anticorruption education can be both formal and informal, preventative and reactionary. It is organized to teach people their rights, the government services available to them, and to explain how corruption itself occurs and how the public can play a role in its prevention. Civic and anticorruption education programs develop expectations for good citizenship and good governance, enable citizens to think and act in the context of their own world, and lay the foundation for sustainable development in the future.

Civic and Anticorruption Education teaches primarily five things:

- The functions and procedures of government institutions;
- The rules of law;
- Democracy;
- Values and attitudes of good citizenship and good governance;
- Civic participation.

Civic education works to improve knowledge about government systems, to empower people with confidence of voice, to inspire people to form advocacy and public interest groups to help them to achieve goals for change, and finally to have the desire to become actors for development, human rights, and a representative government.

Civic and anticorruption education can be taught by using formal and informal teaching methods. Formal teaching is delivered in schools by teachers, most typically following a national, government-mandated curriculum, and are often housed in Social Studies and History classes. Informal Civic and anticorruption education lessons are delivered in school clubs, community and civil society organizations, and through life experiences.

Participation in informal civic education, on the other hand, is usually voluntary and applies a participatory learning model using conversation, dialogue, games, and action to build community knowledge about the government services relevant to their own lives, current events, and problems and prospects for development in their nations and communities. Informal Civic Education encourages participation in the governance process, and civil society.

Civic and Anticorruption Education is Important

Governance education empowers people with the skills they need to make informed decisions and it helps them to believe that their voices can count. It teaches citizens to truly participate in governance, inspiring action, participation, and representation in government and civil society. Additionally, civic and anticorruption education improves access to information, service attainment, and transparency, and civic and anticorruption education will often increase pride in the nation. Just as people who do not know their rights cannot take advantage of the services available to them, people who know their rights and legal protections can do great things to improve their nation. Civic and anticorruption education is important for corruption prevention because it teaches people these rights and helps curbing corruption to become a community effort.

Community education campaigns should be undertaken to ensure that the public are aware of their right to access information. Parliamentarians have an important role to play in this process by making sure that their constituents are aware of their rights. A range of other bodies also have a role to play here including, human rights groups, the media, other government institutions and services, and civil society generally. Use should also be made of regular educational systems, including universities and schools to promote civic understanding about the right to access information.

Enforcement

Box 1
Public Sector Corruption:
The Watergate Scandal

The 37th US President, Richard Nixon, fell victim to corruption's temptations while he was in public office in what would be notoriously known through history as the Watergate scandal. In this scandal he ordered men to break in to the Democratic National Committee headquarters to learn how he could win the next election. When the men were caught, the president lied about his involvement, while tapes of him stating the contrary were available in addition to an FBI leak which further proved his guilt. The president left his position before he was impeachment and was granted amnesty by the next president, Gerald Ford.

Box 2
Private Sector Corruption:
The Parmalat Scandal

At the end of 2003, Parmalat, an Italian dairy and food company, was involved with one of the biggest corporate scandals as an € 8 billion hole was discovered in Parmalat's accounting records. A new CFO was brought on, but not allowed access to some of the corporate books. After making some inquiries he realized that the company's total debt was more than double what showed on the balance sheet. The crisis became public in November, and the new CFO resigned. Eventually, the company's CEO also resigned, was later detained after the firm was charged with financial fraud and money laundering. The CEO was later imprisoned.

Sometimes fears of strong penalties or imprisonment will reduce the likelihood that people will participate in corruption. Some common penalties include firing, fines, imprisonment, negative publicity, demotions, and quiet transfers to new locations or departments. Enforcing the law against corrupt behavior alone does not take care of the problem.

Advocacy and Lobbying

As a result of civic and anticorruption education, citizens may be inspired to participate with politicians in advocacy and lobbying activities to influence law making. Advocacy is a strategy for influencing policymakers when they make laws and regulations, distribute resources, and make decisions that affect people's lives. It entails creating policies where they are needed or when none exist, reforming harmful or ineffective policies, and ensuring good policies are implanted and enforced. Together these concepts refer to policy change.

Advocacy strategies can be used to help civil society participate in the decisions of policy makers by discussing problems directly with them, delivering messages through the media (See Unit 7), or strengthening the ability of local organizations to advocate. Advocacy can, therefore be one more option in a wide range of program strategies for reducing corruption and holding both public and private officials to account. This is especially important when we consider those policies that are at the root of increased corruption in a country.

Conclusion

In terms of corruption, every country is different. When a country faces corruption with a commitment, good diagnosis and structure, citizens and parliament working together can make quite a difference in their government's response. Addressing corruption requires a good understanding of its type and effects on society, and a commitment of citizens and leaders in government to fight it together. Leaders in government cannot be left to make the change on their own because they will often not have the will to overcome resistance within their own ranks. Pressure and cooperation from concerned citizens in business, the religious community, and other walks of life can keep the commitment alive.

Unit 3 Questions

Please answer each of the following questions. If you are taking this course in a group you may then meet to discuss your answers.

1. How can responses to corruption bring about meaningful change?
2. What role is there for stakeholders in fighting corruption? Who are they?
3. How can a government guard to assure that public money is properly used?
4. How are incentives and reciprocity different?
5. From your own national example, please provide an example of price controls and how they worked for or against you and your nation.

Select Bibliography

CPA Plenary Conference presentations on the Right to Information: Best Practice Law-Making Principles and The Right to Know.

Internet Resources

UNDP governance Site

<http://www.undp.org/governance/>

London School of Economics Center for the Study of Global Governance

<http://www.lse.ac.uk/Depts/global/>

Unit 4: Corruption through Data

Learning Objectives

How do we Measure Corruption?

After studying this unit, you should be able to:

- Understand why and how data on corruption help in good governance efforts;
- Understand how government can diagnose and measure good governance and corruption;
- Become familiar with the methods for measuring corruption;
- Become familiar with the indicators measured in good governance and anticorruption research.

Introduction

Unit two looked at a range of problems that can impact the quality of governance systems in a country, demonstrating that evidence of only a few corrupt events can justify a serious problem. In order to fully define and diagnose the depth and breadth of the corruption problem, and a country's general governance performance, and to develop solutions for tackling these problems, researchers must develop the capacity to measure good governance and corruption. This unit looks at the stages of effective analysis and the different methods for the diagnosis and measurement of the corruption problem.

Qualitative Analysis

To understand the extent to which corruption occurs in a particular country, researchers will analyze the government systems qualitatively, or through descriptions and

observations. Qualitative research is concerned with understanding the processes that underlie patterns, and measures information based on opinions and values, not on statistical data.

Defining Measures

As a first step in corruption diagnosis, the quality of governance might be evaluated by examining three vital aspects of a government's use of authority:

- **How governments are put in place**, e.g. single-party state, two-party, or multiparty democratic elections, aristocracy, dictatorship, monarchy, etc.;
- **How well the government can make and implement sound policies**, e.g. are experts available to guide the process? Is the process transparent? Do people in leadership positions make decisions without bias, and;
- **How much respect do people have for the government**, e.g. is there confidence in government systems? Is there consumer confidence? Is faith in the private sector growing or declining? Are public systems widely utilized?

In the first aspect, considering *how governments are put into place*, there is a measurement for the input citizens have in the election of their leaders. If there is a true democracy with transparent voting mechanisms, a citizen's impact in an election results, and thus the government, can be great. If there is any incidence of voter fraud, citizen impact declines. If there is only a one-party system, tyranny, or dictatorship, than there is virtually no citizen impact in the election results as they were prearranged for the power-seekers interests only.

To measure *how well the government can make and implement sound policies* a research team might consider how accountable political leaders are to the citizens they represent. In other words, do political leaders follow through with the promises they

present during their campaigns, and do they consider the perspectives of their constituents above their own personal interests? Are government policymakers knowledgeable about the governance process, items of debate, the budgeting process, etc.? When government is not well skilled in policymaking and when people do not have faith in their government leaders, citizens may react negatively.

How much respect people have for the government is another factor that helps us to qualitatively evaluate whether there is corruption in a country. Is there confidence in government systems? Can constituents easily access their policymakers for information, questions, or concerns? Are policymakers inaccessible to people who are not in positions of power? Is information about them, their office, and their positions on items of debate, and budget fully transparent and available to public scrutiny? Is there consumer confidence? And is there more or less faith in the private sector? The stability of the government or the amount of violence in a country can help us measure corruption since these can be used to evaluate whether people think the government selection process is legitimate.

Researchers need to see the corruption problem through numbers to take these analyses into measurable terms. While qualitative analysis may offer a complete description of the corruption problem, it is less efficient and accurate than quantitative analysis. How can governments see the corruption problem quantitatively? Statistical material provides the knowledge to respond directly to governance challenges.

Looking at Corruption Statistically

For the purpose of research and measurement, corruption is defined by the frequency of incidents that determine its existence (e.g. bribery), or the lack of incidents that define its anecdote, good governance (e.g. accountability). As with ordinary economic evaluations, indicators are used to predict future trends in corruption among a

population. Indicators describe policy-relevant statistics that contain information about the status, quality or performance of a government system. Taking apart the corruption paradigm into definable indicators is something that the development community has only recently endeavored to do. Great care is taken in choosing indicators to provide a profile of current conditions that reflect the good health of a government system.

Corruption surveys have been shown to give reliable information on where the biggest problems are occurring. Surveys of households look at problems that the typical household has with the government, for example the red tape involved with getting a drivers license. Surveys of firms consider the problems faced by businesses, such as complications in obtaining the permits needed to conduct their business, while surveys of public officials look at how specific government offices work and which are most relevant to the work of parliament.

Independent statisticians conduct surveys of households, businesses, and public officials to measure the prevalence and costs of corruption. Carefully designed experiential questions measure the economic and social costs of corruption, the quality of public service delivery, the business environment and public sector vulnerabilities.

In addition to helping diagnose corruption, surveys help raise awareness on the key challenges faced by the country institutions. Those who answer the survey become more aware of the issues and, once the results are published, stimulate debate among all relevant stakeholders.

The Indicators

Researchers will develop mechanisms for translating the concepts that describe and define corruption into mathematical and statistical measurements. In the process of evaluating corruption through data, indicators effectively track and measure corruption or good governance. A recent study by the World Bank determined that *the Worldwide Governance Indicators* are comprised of six important benchmarks for good governance.

They are:

Voice and Accountability: The extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media demonstrates how citizen voice is necessary for allowing democratic participation. When the people organize themselves, accept responsibilities and become involved in local decision-making they are true participants.

Participation is primarily concerned with increasing the role of citizens to choose the leaders who represent their needs. Civic participation encompasses three inter-related elements:

- Open and transparent government, involving citizens in its activities and decision-making processes;
- Consistent and persistent flow of information from the government to its citizens and vice-versa; and
- Efficient ways of informing citizens to understand their roles and responsibilities to participate as equal partners.

The most obvious example of civic participation is the election process, the most common and powerful form of accountability. Citizens may also have more discriminating instruments to enforce accountability such as political parties.

Government accountability is the second part of this important indicator. Political parties can be powerful tools for accountability when they work well at the local level. They are designed to uncover and publicize wrongdoing by the party in power and to continuously present an alternative set of public policies to the voters.

Civil society organizations can be a good vehicle for allowing citizens to articulate their reaction to local government and solicit accountability. Citizens can also learn about government and articulate their reactions. If citizens are to hold their governments to

account, they must be able to find out what they are doing. Word of mouth is often the most accessible tool for this and therefore becomes essential.

Political Stability and Absence of Violence: Political instability and violence are other causes for corruption, therefore, countries that are less violent have less corruption. Government are more likely to be destabilized or overthrown by unconstitutional or violent means, including terrorism.

Government Effectiveness: The quality of public services, the quality of civil service, the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies also determine whether a country will be vulnerable to corruption. An effective government is basically characterized as one with good social and economic policies that guarantees and respects the freedoms and civil liberties of its citizens, with a competent public administration that facilitates the delivery of goods and services to its citizens.

Regulatory Quality: Regulatory Quality is another indicator for good governance that focuses on policies, including market-unfriendly price controls, inadequate bank supervision, and burdens imposed by excessive regulation foreign trade and business development.

Rather, in good governance situations the system should provide a productive environment for saving and investment domestically. Through equality, transparency, and accountability, translating clearly defined property and labor rights, free but well-regulated exchanges in the marketplace, just settlement of contract disputes, and fair taxation.

Rule of Law: The final indicator that measures corruption is the rule of law. Rule of Law includes several indicators that measure the extent to which agents have confidence in and abide by the rules of society. These include perceptions of the incidence of crime, the effectiveness and predictability of the judiciary, and the

enforceability of contracts. Rule of law implies equality before the law, equal protection of the law, and that nobody is above the law. Rule of Law also says that violations of the law should result in punishment, and that the innocent must not be punished. The lack of a rule of law leads to an inefficient, unfair and corrupt system, which creates opportunities for the existence of overlapping authorities.

Control of Corruption: The extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as capture of the state by elites.

Once the indicators have been selected, researchers use different tools to measure the indicator among a certain population, such as diagnostic survey or perception surveys.

Diagnostic surveys: In a diagnostic survey facts, figures, or opinions are collected from a representative group or sample of the population. The information taken is collected and used to approximate or indicate what a complete collection and analysis might reveal, in an effort to diagnose a problem. When applied to the governance or corruption paradigm, surveyors will collect country data using a sampling of questions about the indicators we mention in this unit. The surveys may be in-depth and country-specific or more vague. The respondents may be households, firms, or public officials, and for the purpose of corruption studies they will gather information about vulnerabilities within the country's institutions. The surveys are usually:

- i) Multi-pronged, separate surveys of users of public services/households, firms and public officials, permitting triangulation of the results;
- ii) Use of experience-based (vs. 'opinions'/generic) type of questions;
- iii) A broad governance and service delivery conceptual framework; and,
- iv) Rigorous technical specifications at the implementation stage.

Fortunately, corruption surveys have been shown to give reliable information on where the biggest problems are occurring.

Perception Surveys: While in-depth diagnostic surveys examine corruption in just one country, perception surveys examine the problem across a large number of countries and so can show where corruption problems are perceived to be higher and where they are perceived to be lower around the world. Another important anti-corruption organization, Transparency International, considers data collected from several organizations that attempt to measure corruption. The result of the analysis of this data is a corruption perception index, which orders the countries of the world according to “the degree to which corruption is perceived to exist among public officials and

Box 1 Sources for the Transparency International Corruption Perception Index		
<i>Surveying Institution</i>	<i>Respondents</i>	<i>Survey Topic</i>
World Bank & EBRD	Senior Businesspeople	Frequency of irregular additional payments.
Columbia University	Policy analysts, academics & journalists	Severity of corruption within the state.
Economics Intelligence Unit	Subject area experts	Misuse of public office for private/political party gain.
Freedom House	US, regional, & in-country residents	Corruption in government, perceived by public, reported in media, & anti-corruption initiatives.
Information International	Senior businesspeople from Britain, Lebanon & UAE	Commonality & cost of bribes to business. Contracts awarded to friends & relatives.
Intl Inst for Mgt Development	Top & middle management	Bribery & corruption in economy
Multilateral Development Bank	Bank experts	Widespread incidence of corruption
Merchant International Group	Expert staff & network of local correspondents	Existence of high to low level government corruption
Gallup International	Senior business people from 15 emerging market economies	Bribes to politicians, civil servants, & judges, and the associated costs.
World Markets Research Center	Expert staff	Likelihood of petty to grand corruption in officials
World Economic Forum	Senior business leaders, domestic & international companies.	Undocumented extra payments to government.

Source: http://www.transparency.org/policy_research/surveys_indices/cpi

politicians". This index is tabulated by data collected from a number of important organizations. Please see box ___ for a list of these sources and the data each collected.

Gathering Data Once the indicators are determined, researchers develop mechanisms for gathering data on each. A variety of methods are used. In data analysis, several methods for collecting information have been developed. From personal interviews to self-completed to other methods, there are many ways to collect

Box 2 Data Collection Methods			
<i>Collection Mechanism</i>	<i>Method</i>	<i>Pros</i>	<i>Cons</i>
Face-to-face interview	Trained interviewers visit people to collect data	High response rate; Better quality data	Unavailable respondents; High travel cost
Computer assisted Personal Interviewing	Face to face interview with data entered directly into computer database	Saves data process time; less paper hassle	Expensive to set up; requires interviewer have typing skills
Telephone	Trained interviewer phones people to collect questionnaire data	Quicker and less expensive than face-to-face interviews	Excludes people without telephones; respondent can end interview easily
Computer assisted telephone interviewing	A phone interview in which answers are put directly into database	Saves time involved in processing data	Expensive to set up; requires interviewers have computer and typing skills
Mail Survey	Surveys are mailed to respondents to send back	Relatively inexpensive; can reach many people quickly; can contact hard to reach people; respondents complete in their own time privately	Requires an up to date list of names and addresses; has lower response rate than other data collection methods; requires reading and writing ability in single language
Hand delivered questionnaire	Questionnaires are hand-delivered to people and mailed back by respondents	Better response rate than mail survey; reaches multiple household members; reduce cost of collection; more privacy	Has lower response rate than other data collection methods; requires reading and writing ability in single language
Electronic Data Reporting	Electronic forms give respondents option to answer via paper questionnaire or electronically.	Flexibility	Expensive to maintain up-to-date and secure technology
Electronic Data Reporting via the Internet	Electronic Data Reporting via internet website	Convenient	Cannot guarantee confidentiality, privacy and data quality.

Source: <http://www.statcan.ca/english/edu/power/ch2/methods/methods.htm>

information (See Box ___ for information on each). The choice of method depends on factors ranging from complexity and the length of the questionnaire, the sensitivity of the information, geography of the survey population, to cost and time frame. Often

researchers will combine data collection methodologies. In the case of corruption data, researchers will use a variety of methods to collect diagnostic survey results depending on the circumstances of the population and the budget for the project.

When collecting data, corruption and good governance researchers might focus the surveys towards firms, public officials, and individuals, as well as views of outside observers, NGOs, multilateral donors, the private sector, and investment experts and think tanks. The questions and survey format vary depending on the audience.

Box 3
Disclosing Corruption: The Case of Kenya

Diagnostics/Measurement Tool Used: Kenya Bribery Index

Objectives: To provide knowledge and obtain data on the size and the nature of bribery in Kenya; to generate public awareness and discussion of the issue; to use the data and findings to advocate reforms.

The Process of Dissemination of Findings: The results of the study, which ranked organizations in Kenya by corruption levels, was preceded by a campaign in which small ads announcing the bribery report were placed in all national newspapers. Advance copies of the study results were provided to newspaper editors to prepare analyses of the report. Following a press conference, the report received widespread coverage in the local and international press.

The worst performing organizations, such as the police, which ranked lowest, were unhappy with the Index.

The Results: The survey generated a tremendous response from the public and created new opportunities for advocacy, networking and coalition building with public organizations. New partnerships were also built with the private sector. In at least one ministry (Public Works) an official circular was published alerting staff to the 2001 Index's findings and requiring corrective action. Unauthorized police traffic roadblocks disappeared from the country's highways in the weeks after the Index came out.

Source: <http://www.u4.no/helpdesk/helpdesk/queries/query28.cfm>

Box 4
Sample Stages to Diagnosing Corruption in a Country

Preparation - Identify team and develop a detailed work program.

Promote Partnership – Coordinate stakeholders in country.

Development – Assess institutional weaknesses, design and revise diagnostic instruments to collect governance data, and train staff to carry out the required field work.

Fieldwork – Sample design, fieldwork, data capture and coding, to be carried out jointly by local and external experts.

Analysis – Data is analyzed, resulting in a policy report to address questions about the costs to the various stakeholders, the consequences, the impact to the poor, public service delivery, institutional vulnerabilities, and the fundamental issues on which a reform should focus.

Dissemination – The available datasets are disseminated to local and central governments and research agencies, Internet sites are developed for further data access, and a series of seminars and training activities will be organized on the use of the data in the policy making process.

Conclusion

Without data to back up the presence of corruption it is just an accusation that runs the risk of being deemed politically motivated. With data, a hunch becomes a fact. With factual information on corruption a country is better equipped to target its specific responses to corruption problems and understand the extent of the problem in a country.

Unit 4 Questions

Please answer each of the following questions. If you are taking this course in a group you may then meet to discuss your answers.

1. Considering the indicators that you studied in this unit, how well do you think your parliament and government can make and implement sound policies?
2. Based on what you read in this unit, is there a link between private sector success and good governance?
3. How is foreign investment related to the good governance of a nation?
4. How are both diagnostic and perception surveys each important in the fight against corruption?

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Stapenhurst, R., Johnston, N., and Pelizzo, R. The Role of Parliament in Curbing Corruption. Washington, DC: The World Bank, 2006.

Internet Resources

Statistics Canada

<http://www.statcan.ca/english/edu/power/ch2/methods/methods.htm>

Unit 5: Involving Civil Society in Good Governance

Learning Objectives

What can civil society do for good governance?

After studying this unit, you should be able to:

- Understand parliament's role in forming and nurturing an active civil society;
- Understand what parliament provides for an environment of an active civil society;
- Know how civil society can help curb corruption.

Introduction

Solving the corruption problem in a nation involves more than just the good example of political figures and progressive legislation. In order to fully respond to corruption at every level of society, civil society organizations must also play an active role in corruption prevention. This unit looks at methods for empowering and facilitating the creation of active civil society organizations, and the role for parliament in incorporating this essential sector of society into the prevention game.

Good governance can only be permanently established if political participation functions at a local level. This, however, is only possible if all citizens participate politically, economically, socially, and culturally. What does parliament and other government bodies need to do to energize and facilitate an active civil society?

Public Information

Fundamental to allowing the growth of civil society is the need to make public information available and accessible. Without this information, tools and resources, even the most energized public is unable to be truly active in the governance process. Public information is any information that is produced by the public sector but which does not infringe national security, legal right, or confidentiality agreements.

Box 1

Publicly Accessible Information

- Policy documents
- National archives
- Records
- National registers
- Electoral roles
- Land transfer records
- Housing and land valuations
- Automobile and business registrations
- Meetings records
- Ordinances and laws
- Judicial decisions
- Scientific databases
- Statistical compilations
- Cultural surveys

Once information is made accessible, the public will need to have the skills to properly utilize access, and interpret the information in order for it to truly be empowering. For information to empower people it must bring into focus the need to improve their capacity to analyze information and to act on that information by communicating views through a.) public hearings, b.) public meetings, c.) participatory planning committees, d.) focus groups, e.) surveys, f.) citizen advisory groups, etc. Parliament and other government agencies will also need to play their role in assuring that these mechanisms are made relevant and accessible to the community by strengthening community organizations, and sometimes facilitating collective approaches

through citizen report cards.

Communities may develop communication networks that allow members of the community to develop a unified voice and make demands for services and information relevant to them, such as health care, education, water and employment. Participation is important because it allows engagement of citizens and organization in public policy

debates, delivering public services, and monitoring and contributing to the management of public goods. Participation is critical to making development policy and public service action respond to the needs of the people.

After establishing an environment where citizen voice can be nurtured, citizen feedback on policies should be actively sought. Responsiveness creates an environment where this is possible. Responsiveness by the government occurs when the government:

- Listens to people's views and concerns;
- Acknowledges concerns impartially;
- Designs a system in which public information capacity can be implemented, providing the best possible access to and use of information by multilingual or disadvantaged communities at the local level;
- Recognizes the role of the media in strengthening government responsiveness to citizen feedback and opening communication to reach more disenfranchised communities.

Unit 5 Questions

Please answer each of the following questions. If you are taking this course in a group you may then meet to discuss your answers.

1. Through what methods can parliament play a role in improving civil society involvement in the political sphere?
2. What other factors influence citizen involvement with parliament, advocacy and lobbying?

Unit 6: The Role of the Media in Corruption Prevention

Learning Objectives

How does an unbiased media fight, expose, and educate against corruption?

After studying this unit, you should be able to:

- Understand the function of the media in preventing and fighting corruption;
- Understand the political limitations to the media in fulfilling its functions;
- Be familiar with legal protections for the media.

Introduction

In the last unit we learned the importance of CSOs in good governance. CSOs and all stakeholders, though, would be more effective, reach a broader audience, and be more likely to be heard by government officials with an accessible, available, and open media. Likewise, community stakeholders learn the opinions, decisions and actions from policymakers *through* the media. The media can be the mouthpiece for all sides of the political equation by communicating rights to the people, informing people about political candidates' items up for vote, communicating the needs of the people, and the demands of CSOs. In short, the media allows for a space for political negotiations to occur. It tells us about when elections are going to be held, what political parties are running and what promises the candidates are making. The media will inform the public of important announcements and may also research how parliament and other public officials are doing their constituents justice and where they are falling short.

Investigative journalists believe they have a duty to the public to cover stories of corruption by politicians and business leaders. Sometimes, as a result of media stories, political action can occur through the resignation or fleeing of the corrupt, often preventing others from replicating the actions for fear of public exposure and humiliation. Journalists can expose the stories of policy, corruption, and other issues relevant to parliament.

However, journalists and media outlets are often burdened by a dysfunctional and unsupportive government. This unit looks at why the media are important in the fight against corruption, their limitations, and requirements for a well-functioning and supported media.

Limitations of the media

Media has an important role to play in raising awareness on rights to official information. It does this by supporting and facilitating initiatives that sensitize government officials on the importance of making public information available, working with information centers to promote civic education on rights and entitlement under official legislations.

The media is important as it is a nonbiased source of information for politics and education. However the media is sometimes faced with limitations to their progress, such as ramifications for exposing state-run wrongdoings. In others, there are strict libel laws, which are meant to protect media stories from unsubstantiated claims, but are often so stifling that the media is again prohibited from fulfilling its defining function -- to share the news with the people.

In some nations, laws have been so severe that journalists can be punished with imprisonment and steep fines for reporting on government leaders. Charging the media with committing libel is accusing the media of publishing lies about a person, often a political official. As a result, the media organization and the journalist can be sued in court, and since the judges may be more aligned with the politician than the journalist they will often rule against the media.

In more severe criminal libel, the journalist and his or her media outlet not only published lies but stories they told threatened the stability of the country. When journalists are convicted of criminal libel, they are sent to prison, some times for years, and sometimes the editors and owners are also prosecuted.

Some countries have used licensing as a way of controlling the media, meaning that a media outlet must obtain a license from the government before being allowed to operate. However, when media publish or broadcast news about corruption or other forms of wrongdoing by the powerful, their license may be revoked.

An Enabling Environment

If media is so important to fighting corruption, designing an environment which enables a productive and successful media is imperative. An enabling environment comprises a set of often inter-related conditions that impact the capacity of citizens to engage in development processes in a sustained and effective manner. These conditions include legal, regulatory and policy frameworks, and political/governmental, economic, and socio-cultural factors that mandate governments to make information available to citizens, businesses, civil society, and the media. In addition, journalists must have information on policies, rules, regulations, and government procedures, as well as the relative speed with which this can be accessed.

The Media and the Law

In order to avoid some of the common complications inflicted on media, some governments have passed laws on access to information that give citizens and journalists the right to request and receive a wide range of information from the government, which make it possible for journalists to obtain the facts they need to do their job. This also protects the media as they can have evidence of the statements they are publishing.

Box 1
Article 19 of the Universal Declaration of Human Rights

"The right to freedom of opinion and expression includes the freedom to seek, receive, and impart information and ideas through any media and regardless of frontiers."

- Freedom of information is a cornerstone of democracy, participation and good governance.
- When more information is available from the government it is less likely to be able to hide illegal acts. Excessive secrecy, on the other hand, breeds tyranny.
- Open public sector information enhances social welfare, as citizens become better able to make informed decisions about their daily life, and their futures.

Not only have some countries drafted laws protecting free speech domestically, but there have been a number of international declarations and laws protecting free speech. For example, Article 19 of the UN Declaration of Human Rights (See box).

But what is required for a successful legislative

structure? Access to information represents the basic tools for development and good governance. It empowers citizens through access to and use of information and knowledge and engages citizens and citizen organizations in public policy debates, public services delivery, and the monitoring and management of public goods. The obligations set out in access to information legislation apply to all bodies that carry out public functions, regardless of their form or designation. In particular, bodies, which provide public services under a public contract should be covered by the legislation. Finally, these laws are critical to making development policy and action responsive to the needs of the people and the poor.

Access to information increases public awareness of government policies, reforms, initiatives, and service delivery mechanisms. The media can produce and analyze information service deliveries thus providing citizens with the knowledge and evidence for holding authorities accountable, thus encouraging citizens to hold officials accountable for their actions and performance. Media can put pressure on government to reform the capacity of its public information systems, for example through locating public information centers close to citizens.

Information produced by public servants should be available to the public. Any formal exceptions preventing citizens from accessing public information should be well justified. National governments should expand access to public information resources and re-assess existing policies and practices for making information more available.

All publicly funded organizations should provide open access to publications and public databases as a process of engaging citizens.

In order to protect the media, most countries establish Freedom of Information Laws (FOI) to officially legislate this basic professional and human right. In addition to the basic rights already mentioned and the desire to make government information more open, FOI also allows citizens to request that access be provided for information held by the government that is not otherwise made routinely available. The process for obtaining public information through FOI laws is not simple. Exceptions when this is not possible include national security restrictions, the protection of personal privacy, and the protection of trade secrets. Such laws typically involve a bureaucratic, cumbersome, and relatively expensive process that the citizen must undertake in order to obtain information that is legally in the public domain.

Box 2
Processes to Facilitating Access

The facilitation of access to information should adhere to the following key requirements.

- No one should have to state why they request information.
- Public bodies should be required to respond to requests within set time periods. A failure to respond to a request within that time period should be deemed a refusal of the request.
- Any refusal to provide information should be with information on the provision in the legislation applied.
- Requesters should have the right to appeal any refusal to provide information to an independent administrative body.
- Deliberate obstruction of the right to access should be a criminal offence.

A Cost to Access to Information?

Access should also be affordable. For example, there should be a structure in which requesters only have to pay for the cost of reproducing the information. Personal information should be free or very low cost. In addition, people cannot be subject to higher charges simply because public officials do not maintain their records well. Finally, if the information is not provided within a set time period after the fee has been paid, the money should be returned and the request should be free of charge.

Parliament, the Media, and an Effective Policy Framework

Parliaments have a critical leadership role in expanding access to and use of public information. To fulfil this role they need to develop an integrated and comprehensive national information policy to develop and promote the production, dissemination, and, use of governmental information to the public.

FOI should include a policy framework that addresses information management and dissemination. This should include creating a management structure, defining policy requirements, and adopting strategies for management.

Conclusion

As this unit discussed, in the development of a national and local information management policy parliamentarians and other lawmakers should provide the best possible access to and use of information by all stakeholders, plan for information resource management, manage information dissemination activities, and safeguard for public information. The parliament works for the media so the media can work for the people and the parliament in order to be effective, the government and the media must work together to allow for information to be brought to and empower the community.

Unit 6 Questions

Please answer each of the following questions. If you are taking this course in a group you may then meet to discuss your answers.

1. What freedoms are essential preconditions to achieving and sustaining an informed society and why?
2. How does having an informed and transparent society benefit parliament?
3. What is the link between open and transparent societies and economic development?
4. Give an example of how the right to know has helped benefit your own life, or the lives of your constituents.

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Unit 7: Political Commitment to Anticorruption

Learning Objectives

What do politics have to do with corruption?

After studying this unit, you should be able to:

- Understand the function and structure of an anticorruption commission;
- Understand the role of parliament in fighting corruption;
- Recognize what is meant by public money for the public good.

Introduction

Diagnosis, direction, stakeholder participation, education, and prevention are all very important steps in corruption prevention, as we have learned in the earlier units of this module. A national commitment by parliamentarians and other political organizations to the corruption problem is also needed to overcome corruption. This unit looks at options for parliamentarians and political bodies' to become involved and the extent of external participation in the process.

With each country comes a unique culture, values, traditions, economy, history and political structure. As a result, there is not one corruption fighting action plan that works for all countries. Action plans need to establish different priorities, sequences and timing for fighting corruption reflecting each country's problems and opportunities.

Nonetheless, action plans draw from the same general pool of anticorruption reforms including economic reforms, institutional arrangements administrative reforms for

promoting incentives for public officials and awareness raising campaigns that encourage citizens to resist corruption. As this unit will explain, these tend to include public spending patterns, the development of an ACC, citizen involvement, and a well functioning transparent, accountable and involved parliament.

Monitoring Public Money

A major component to corruption prevention by parliament and other branches of

Box 1
How does the system for using public money break down?

Sometimes public money is misused because the system does not work, as it should. Some of the most frequent problems in the system of public finances include:

- Money that should go to the government is never received;
- The accounting records are not audited in a timely manner;
- The government spends money in unauthorized ways;
- Accounting records are not well kept;
- The government does not respond to questions raised by the legislator and does not change its spending practices.
- The legislature does not review the auditors report.

government is regarding the way the government spends public money. When there are opportunities and incentives for government officials to spend poorly, or steal from the public purse, there can be problems that run deep into the public systems.

Because the spending of public money so important, countries have developed procedures to oversee how the government is managing

its money. The head of the government must explain how much money the government plans to spend in the coming year and how it will be budgeted according to parliament's approval. Throughout the year the government is required to keep financial records to show that it adhered to the budget, with the help and monitoring of government auditors.

Citizen Involvement

Through access to information laws, concerned citizens can get a careful look at funding in the budget and then check to see if the money was actually used as reported. Through open budget hearings citizens can oversee the use of public money, and how the government is carrying out its jobs.

What reactionary efforts to corruption are lacking is a lobby to keep anticorruption reform on the agenda. A good strategy to address corruption involves a step by step approach:

- ✓ Recognizing and acknowledging the problem;
- ✓ Taking charge by showing leadership and involving groups that have a stake in the issue;
- ✓ Understanding the problem through diagnostic surveys;
- ✓ Identifying what is needed to address the problem through education and action-planning workshops;
- ✓ Drawing up a strategy that is prioritized into short, medium and long term plans;
- ✓ Implementing the strategy;
- ✓ Reviewing outcomes through monitoring;
- ✓ Identifying new challenges.

Anticorruption Commissions

Some governments have gone a step beyond laws preventing corrupt behavior and have actually created political bodies formed especially to educate, legislate, and punish acts of corruption. These Anticorruption Commissions are composed of an individual called a Commissioner, who essentially runs the ACC, an administrative branch, a community relations branch, and a corruption prevention department. These organizations, which are often non-governmental, have been adopted in a number of countries around the world. Some believe that they are essential for institutionalizing anticorruption schemes,

Box 2

Citizen-ACC Cooperation: The Case of Zambia

In 2000 Zambia, the Anti Corruption Commission established a public discussion forum on Promoting and Protecting Integrity in Public Life with the following objectives:

- To bring together people from government and civil society, particularly people who could influence public opinion, to mobilize support for integrity in public life.
- To disseminate information about integrity and corruption and raise public awareness about important integrity and corruption issues.
- To promote partnership between the ACC and civil society, as ACC cannot fight corruption effectively without the support of civil society, and to build coalitions of like-minded citizens concerned about standards of integrity.
- To provide a forum where ACC could learn from the public and listen to public concerns about corruption.

The ACC used the forum, which was attended by Chief Justices, diplomats, academics, and policymakers as a means of gauging whether its priorities, policies, programs and activities were in line with public expectations or whether the Commission should be reformulating policy in certain areas to take into account public priorities and concerns.

while others are less convinced of their effectiveness.

In order to be successful, anticorruption commissions must be independent, have a clear reporting hierarchy including executive officials, parliamentary authorities and public oversight committees, and a government that is committed to enacting reforms that may be difficult. In addition, laws must be established and enforceable by the commission in order for a commission to succeed. In addition, a clear reporting hierarchy in which reports are delivered by the director of the organization to oversight committees and then shared with parliament and the government is necessary for an anticorruption commission to run successfully. Without such a hierarchy, the executive

office makes all of the decisions on the legislation and persecution of corrupt behavior. Finally, oversight committees allow for an effective and efficient commission.

The Role of Parliament in Curbing Corruption

The first major step of parliament is to prevent corruption in parliament is to build a parliament that is accountable to any wrong doings in office. When parliament is accountable to acts or even just threats of corruption, the people recognize that it is dangerous. As a result, many nations have instituted laws and policies to help curb corruption or opportunities therein in parliament and other bodies of government. Indeed, this is an emotion that is taken seriously at all levels of parliamentary organizations. For example, In a joint United Nations Interparliamentary Union (IPU) meeting on Good Governance and the Fight Against Corruption John Williams, Chairman of the Global Organization of Parliamentarians Against Corruption, told Parliamentarians, "Accountability is us, the Parliamentarians," stressing that only through accountability could good governance be established and corruption fought.

In a functioning democracy, citizens rely on their parliaments for help in the corruption process since they are selected as representatives of the people to set the framework of law and oversee its implementation. Parliament, therefore, plays an essential leadership role in combating corruption, including legislative, oversight, and financial role as representatives of the people.

Legislative Role: Parliaments have the authority to create the legal framework needed to prevent and curb corruption, for example laws against inappropriate behavior by citizens, businesses, and other organizations. In addition, parliaments can bolster integrity in governance by establishing incentives to public officials and transparency and accountability. In order to be effective, laws must follow a key set of principles in clear language to minimize areas of discretion, and adapt them to the local circumstances and should address some issues such as conflicts of interest, nepotism,

and statures of limitation – not only to provide for the necessary punitive measures but also to promote an administrative and social environments adverse to corruption.

Oversight: Parliaments can also curb corruption by holding the government accountable. This can be achieved through effective participation in the budgetary process, the exercise of parliamentary oversight through anticorruption commissions, cooperation with supreme audit institutions, and promoting a media-friendly environment.

Financial Control: Parliament also plays a key role in the budgetary cycle; financial integrity is central to anti-corruption efforts. The budget cycle is comprised of drafting, legislation, implementation, and audit. In most countries, the ultimate control over the national budget rests with parliament. This power of the purse constrains governments to tax and spend in only specific ways and seeks to ensure management of funds, disciplined reporting and transparency. It also provides a means for parliamentarians to be heard on how money is to be obtained and spent. Parliament also considers the audit findings and provides recommendations for the next budget.

Other oversight practices employed by parliament include mandatory executive reporting and the authority to question ministers publicly on the operations of their departmental and program performance by calling for witnesses and documents and doing all of this in a transparent fashion in cooperation with outside bodies. Also, in some countries parliaments have the authority to review and approve appointments of certain public officials.

Specialized Agencies: Parliament is also involved in the functioning of the major oversight tools of specialized agencies. The best known of these agencies are Supreme Audit Institutions (SAIs). Although their mandates vary considerably, SAIs can help to deter waste and corruption by attesting to the financial accuracy of the data provided by the government; checking whether the executive's spending has complied with applicable provisions, laws and regulations, and reviewing the government's performance. To be effective, an SAI should feature a clear mandate, be independent,

continuously update its expertise, and be allowed to report its results to specialized parliamentary committees such as the public accounts committee—which should then consider making recommendations to parliament for enactment. (See Budget Module for more information.) The second major specialized agency is an anticorruption agency, as discussed earlier. To work successfully, anticorruption commissions must be independent, part of a broader anticorruption strategy, embedded in a reporting hierarchy encompassing the legislative and executive and have the government enact its recommendations.

Representation: Representation, which occurs through a number of different channels such as the participation of civil society or the formation of political parties, is an important parliamentary instrument for building integrity in public governance. It can have the effect of empowering citizens to reject corrupt practices and expose politicians and officials who engage in corrupt activity providing a role for parliamentarians in helping to establish public standards for appropriate behavior. A good parliamentarian will travel back regularly to their home regions to organize forums of discussions, listen to their constituents, understand the causes and effects of corruption, include this information in the anticorruption policies, and monitor their impact.

Parliament and Civil Society: Parliament can also help to channel the interests and concerns of civil society into an open debate and help create political will to fight corruption. This will allow parliament to gain credibility and legitimacy thereby extending support for anticorruption efforts.

Corruption in Political Parties and Parliament: Politicians must first tackle corruption within their own ranks through political party financing, and codes of conduct for parliamentarians. In many systems political parties have become a potential agent of corruption compromising legitimacy and integrity of democracy of political parties. Parliamentarians must also adhere to ethical behavior through such means as ethical regimes, which cover everything from conflicts of interests and the disclosure of assets to rules on post governmental employment and nepotism, codes of conduct, and codes of ethics. Internally, ethics regimes improve the behavior of legislators. Externally, they

restore the often shattered public confidence in parliamentarians. To be effective such codes must be accompanied by enforcement mechanisms and be based on a shared understanding by parliamentarians of what is appropriate behavior and what is not.

Inter-parliamentary Links: Finally, parliamentarians can play a role in corruption prevention by participating in the collective power of inter-parliamentary links. The Global Organization of Parliamentarians Against Corruption (GOPAC) is an example of a single-purpose network aiming to combat and prevent corruption through the strengthening of integrity in governance. It does so by providing its membership with a platform to exchange information, relevant training, and crucial peer-support mechanisms. Parliamentary Network on World Bank (PnoWB), on the other hand, was created to strengthen parliamentary involvement and say in development issues. Through a diverse range of activities, it seeks to increase transparency, accountability, and parliamentary participation in international development.

Parliamentarians can also curb corruption through their role in the global governance system, such as the European Parliament or the Commonwealth Parliamentary Association.

Parliamentarians have the role of community representatives and legislator, but they also wear the hats of national role models. Parliamentarians and parliamentary staff can make very valuable contributions to the administration of better governance because they often have more at stake and have a better insight into the needs of their constituents.

Unit 7 Questions

Please answer each of the following questions. If you are taking this course in a group you may then meet to discuss your answers.

1. Do you think anticorruption commissions are an effective tool for corruption prevention? Explain why.
2. Why is parliament's role in public money related to corruption?
3. From your own national experience, explain how political party involvement has helped or hurt good governance standards in your country.

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