Developing Responses

What is government itself but the greatest of all reflections upon human nature? If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary.

James Madison (1751-1836) 4th President of the USA.

Despite the flurry of activities around the globe in the last decade, the would-be reformer of corruption can still be at a loss as to where to begin. History is littered with the pretence of reform - grandiose promises and a conspicuous inability to even try to deliver. An example is the former President of South Korea, Roh Tae Woo. He vowed at his inauguration to be the cleanest President in his country’s history but wound up in prison, facing a host of major corruption charges.¹

In other cases the intentions are genuine: newly elected leaders arrive determined to clean up corruption, but are quickly overwhelmed by the size of the problems facing them. Yet others simply posture, making speeches, signing laws - all in the absence of any expectation that meaningful change will follow.

Some enact reforms, and then privately flout them. Former German Chancellor, Helmut Kohl, made great play of reforms designed to contain the problem of illicit political party funding, only for it to be revealed that his subsequent behaviour was wholly contrary to everything he claimed to believe in.

Time and again, optimistic electorates have returned governments pledged to confront corruption firmly and effectively. Governments have fallen over their inability to counter the phenomenon; others have been elected in the hope that they can do better. Yet, very few can point to enduring progress. For not only must change be achieved, but it must be a change which is sustainable.

An added difficulty in developing countries and countries in transition has been the inherent weakness of government itself. Some have to “invent” government completely, rather than “re-invent” it.

An analysis of the failure of past efforts has identified a number of causes, including the following:

- the limits of power at the top. An incoming head of state may endeavour to address the challenge, but is effectively impeded by the existing corrupt governmental machinery. Witness President Mkapa of Tanzania who, on his election in 1995, publicly declared his assets and those of his spouse, and called on other leaders to follow his example. The Attorney-General issued a public statement which many interpreted

---

as implying that the President’s actions were “illegal” (in that they were not required by law) and that it would be improper for other leaders to follow suit.

- the absence of commitment at the top. Lower ranking political and administrative figures may wish to effect change but be severely restricted by an absence of commitment at the leadership level;
- reforms tend to overlook those at the top and focus only on the lower political and administrative levels, based on the assumption that those at the top either do not “need” reform or that they would be openly hostile towards anyone who attempted it. As a result, the law is seen as being applied unevenly and unfairly, and soon ceases to be applied at all;
- overly ambitious promises leading to unrealistic and unachievable expectations. Those who promise what they cannot deliver, quickly lose the confidence of those around them;
- reforms lack a specific and achievable focus and so fail to deliver concrete change.
- reforms have taken place piecemeal and in an uncoordinated manner, leading to lack of ownership and commitment to effective implementation;
- reforms have relied too much on the law, which is an uncertain instrument in trying to change the way people behave, or too much on enforcement, which can lead to repression, abuses of power and the emergence of another corrupt regime. If a legal system is not functioning, the problem is more likely to lie in the judicial system (with delays, corruption and uncertainties) rather than in the letter of the law itself. If existing laws are not working, it is hardly likely that a new one will have impact; and
- institutional mechanisms are not implemented. Even where reform efforts are real, there still need to be institutional mechanisms to carry reforms forward after their initial champions have passed from the scene. The classic case is that of Justice Plana in the Philippines who reformed the tax administration, raising its ability to implement tax collection fairly and effectively, but as soon as he was promoted out of his post, the reforms began to unravel.²

Reform must also face a host of vested interests: those who have been bending the rules, whether to supplement meagre incomes or to pad well-filled foreign bank accounts, are potentially at risk, and will resist this process.

Many are in positions in which they can derail reforms; some are so powerful, or so determined, that they can resort to violence. The potential dangers to reformers in such countries are real. The changes inherent in a comprehensive and effective overhaul of a country’s integrity system may be considerable, and call for special political and managerial skills. The conduct of Parliaments can also be quite outrageous, refusing to remove areas of corruption in which parliamentarians personally benefit.³ For example, President Obasanjo’s difficulties in 1999/2000, in having anti-corruption legislation enacted in the Nigerian National Assembly, was considered by some observers, at least in part, to be the result of some legislators feeling themselves to be at risk.

The primary, overriding principle of reform is quite simply not to attempt the impossible. To attempt a wholesale purge of the past is often to invite obstruction at best. It is important to define the most promising areas for

---


3 See, e.g. the refusal by the Brazilian Parliament to outlaw nepotism. Nepotism is discussed later.
reform, and focus on them. A few assured “quick wins” can do more than achieve some change; they can also demonstrate to the system and to the public that change is possible and is on its way.

Second, the emphasis should be as “consumer-friendly” as the circumstances allow, to make the process less threatening to the public. There will be those who, realising that the rules have changed, will go along with reforms that prevent future corruption.

**Creating the foundation: an environment of integrity in public life**

What is the public entitled to expect from their leaders? If the leaders of reform are not seen as having integrity themselves, the entire anti-corruption effort can derail and the public commitment to reform falter. But integrity is not an end in itself; rather, it is a path leading to the delivery to the public of the services they are entitled to receive from those who govern them.

The Nolan Committee on Standards in Public Life (U.K. 1995) has suggested that there are seven relevant principles applying to all aspects of public life:

- **Selflessness:** Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
- **Integrity:** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- **Objectivity:** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices based on merit.
- **Accountability:** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **Openness:** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- **Honesty:** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership:** Holders of public office should promote and support these principles by leadership and example.

The establishment and maintenance of integrity in public life and public service include a number of elements. These cover: legislation, regulations and codes of conduct; a society whose religious, political and social values expect honesty from politicians and officials; professionalism among officials; a sense of positive elitism and integrity among senior civil servants; and a political leadership which takes both public and private morality seriously.

Together, these various elements establish and foster a tradition of ethical public life and an ethical environment in which politicians and officials are generally assumed to be honest. Within such an environment it is also assumed that the laws and means of detection and investigation are sufficient to make it risky and costly to break the rules, accept bribes or
become involved in fraud. However, it is vital to bear in mind several crucial points -

- The ethical environment must be owned, enforced, adapted and applied equally and consistently across the public sector;
- The ethical environment must be self-sustaining and integrated; if the ethical environment has potential weak points, new means of accountability must be introduced, or existing means upgraded and reinforced to counter these weaknesses;
- The ethical environment requires political commitment and leadership to inspire confidence and trust, but it should not always be the politicians who have the sole responsibility to own and enforce it; and,
- The ethical environment depends on micro-level changes (the details of reform) in order to deal with the consequences of failure. Failure can result in: weak guidance on standards of conduct or poor compliance with procedures; management indifference or ignorance; aggregated decision-making powers; inadequate financial and management information systems; lax working practices; poor staff relations; sub-organisational autonomy; poor recruitment and training policies; and little or no attempt to control, monitor or police the increasing contact with private sector values, practices, personnel and procedures.

Why vertical accountability fails...

In a democracy, there are two forms of accountability at work: “vertical accountability” by which the electors, the governed, assert control over the governors, and “horizontal accountability” where those who govern (the governors) are accountable to other agencies (the watchdogs).

In principle, the governors and the governed are alike. There is no special group with political power. Political power is vested by the people themselves in chosen representatives, for a limited period of time. If the people are dissatisfied, they can remove those in power, either through the ballot box or through demanding their resignation or punishment.

However, throughout history, mere “vertical accountability” has proved inadequate to the task. If the governors cannot achieve re-election through support of a satisfied populace, they achieve it through a combination of secrecy (so that the electors are unaware of what is transpiring) and the building of systems of patronage. The governors may also indulge in short-term populist acts which may be to the longer-term detriment of the public. Not only will politicians tend to stretch the limits of their power and authority so as to govern with as little opposition as possible, in some cases they will multiply their interventions simply to prove their own importance.

Moreover, the political class which emerges with professional politicians largely share a set of values at odds with the democratic ideal, and their promises in opposition are in stark contrast to their actions on assuming power. For example, in 1997 the Labour Government came to power in the United Kingdom, with strong pledges to end official secrecy. Their subsequent reforms were steadily watered down, to the point where some observers argue that the resulting reforms, far from making the government more transparent, could actually increase areas of secrecy.

5 Ibid., pp. 7, 8.
6 See the discussion by Biancamaria Fontana of the University of Lausanne: The Failures of Human Agency: Accountability in Historical Perspective, June, 1997 (unpublished).
The ancient democracies recognised and struggled with these contradictions. In Athens, in ancient Greece, the People’s Court, formed by a randomly-selected group of citizens sat in judgment on public controversies and had the power to reverse decisions of the legislative body, the People’s Assembly. Similarly, in ancient Rome, the right of the citizen to appeal to the tribune of the plebs against decisions of the magistrates, was seen as a cornerstone of liberty. Both systems were democratic, as they were exercised by citizens, and were characterized by horizontal accountability, as the popular courts were effectively autonomous and independent political bodies.

By contrast, the ancient Chinese, the later Roman empires and the old European monarchies saw a bureaucratic class emerge that, in its time, served as a buffer between the people and the governors. Where their sensitivities were infringed, they were able to indulge in passive resistance – to question, to delay and to redirect the impact of orders from above, and so exercised a limited form of vertical accountability in a non-democratic environment.

Paradoxically, in the modern state, the bureaucratic class that emerged historically and which often served as a buffer to protect the citizens, has, in large part, itself become part of the problem. It has never been designed to be answerable to the people, and to some extent its upper echelons are themselves dependant on the political class. Yet in many respects the bureaucracies have wrested considerable power from the political elite, including such agencies as central banks, research boards, and commercial regulation. Thus, what started out as a barrier against the actions of despot can now be seen by the public as being itself despotic. In the end, the people feel that their will is disregarded, and the people’s elected representatives lament the escape from their own control of a multiplicity of bureaucratic agencies.

In an democratic environment, the chances of vertical accountability succeeding would seem to be most favourable. In theory, those who govern and those who are governed are alike, with the rulers being chosen from among the people for finite terms, and entrusted with power only temporarily. If they govern badly, the people, the governed, can vote them out. If they abuse their powers the people can demand their punishment and/or resignation.

Yet despite this, the concept of vertical accountability has proved inadequate. Politics has become a profession, and as such has acquired its own rules and standards, to which the political class subscribes – those who govern and those contesting for power alike. Transparency vis à vis the people is seldom seen as being an advantage to the rulers, who have a vested interest in controlling what the governed know and precisely how what is going on is presented to them (hence the emergence of “spin doctors”).

Those who govern benefit when they can hide behind the technicalities of government and paint a less than accurate picture of their activities.

So it is that vertical accountability fails for several reasons - the people are not adequately informed of the activities of the governed; they have no power to investigate precisely what abuses may have taken place; and the process of elections is only periodic, so that even in free

---

7 Morgen H. Hansen, *The Athenian Democracy in the Age of Demosthenes*, Oxford, Blackwell, 1991. Ch. 8. Quoted by Biancamaria Fontana, supra. The court could vary from a few hundred citizens to over two thousand, depending on the importance of the matter in issue. Jurors were chosen by lot. The cases were argued by supporters and opponents of the measure in question. People were expected to argue their own case and the employment of professional speakers or advisors was prohibited.

elections an administration is judged on the totality of its performance over time as perceived by an electorate, rather than held to account for specific acts of abuse.

Guarding the guardians— and perpetual vigilance

The example set by leaders and high-ranking public officials is crucial to the achievement and maintenance of an effective national integrity system. But who will guard the guardians?

While the people's courts in ancient Greece and ancient Rome could manage the task of “horizontal accountability”, the complexity of the modern state renders the formal exercise of popular surveillance unmanageable. There is, of course, a growing role for civil society in assuming this responsibility (aided by an explosion of information), as is discussed later in this Source Book. However, formal surveillance must depend on other mechanisms.

Checks and balances in building horizontal accountability

The objective in any integrity system is to build a system of checks and balances within the framework of agreed fundamental principles (usually enshrined in a written constitution or basic law). In effect, a self-sustaining “virtuous circle” is achieved, in which the principles at risk are all monitored, by themselves and by others.

This is “horizontal accountability”, which differs from “vertical accountability” in that the actors are accountable to each other across a horizontal plane, rather than accountable upwards in a hierarchical structure of diminishing width. In essence it means that no one person or institution is in a position to dominate the rest. As such, it constitutes a denial of the “absolute power” that corrupts “absolutely”, in Lord Acton’s famous maxim.9

However, a self-sustaining circle can be constructed based on integrity or on deceit. Every post-holder is potentially at risk - be it the head of government, a judge, an auditor or a junior official - although some are obviously more vulnerable than others, based on the value of the decisions they make and the processes they control. The challenge is to construct a transparent and accountable system, which has two primary objectives: the first is to prevent fraud from taking place, and the second to make the principal players believe that there is a realistic chance of fraud being detected.

Monitoring corruption cannot be left only to public prosecutors and to the forces of law and order. Action cannot depend solely on detection and criminal prosecution. Rather, action must include a combination of interlocking arrangements. In part, this approach includes improving the transparency of relationships, and to the extent possible, preventing the development of relationships which can lead to corruption. It includes transparency in the financial affairs of key players and the prospect of reviews being conducted by independent institutions which are likely to be outside any particular corruption network.

Although corruption can never be completely monitored, it can be controlled through a combination of ethical codes, decisive legal prosecutions against offenders, organisational change, and institutional reform.

9 "Power tends to corrupt and absolute power corrupts absolutely". The observation was made in a letter from Lord Acton to Mandell Creighton, 5 April 1887.
Organisational change

Organisational change within the civil service can help minimise the opportunities for corrupt practices. Singapore, for example, began its successful anti-corruption programme in the early 1970s by instructing permanent secretaries (heads of government ministries) to make their officers aware of the government’s serious efforts to eradicate corruption and to advise them to report any cases of corruption.

The permanent secretaries were also requested to take appropriate measures in those departments particularly exposed to corruption. Such measures included:

- improving work methods and procedures to reduce delay;
- increasing the effectiveness of supervision to enable superior officers to check and control the work of their staff;
- rotating officers to ensure that no officer or group of officers remain too long in a single operational unit;
- carrying out surprise checks on the work of their officers;
- making the necessary security arrangements to prevent unauthorised persons from having access to a department’s premises; and
- reviewing the anti-corruption measures taken in three to five years with the aim of introducing further improvements.10

Programme and policy reform

Public programmes that are riddled with corruption can sometimes be reformed by their redesign.11

The first possibility, and often the best option, is programme elimination. Many countries have rules and regulations that, even if honestly administered, serve no broad public purpose. They can and should be discontinued (although this is to beg the question as to whether they were not designed in a complex fashion to create corruption opportunities for those who are administering them). Other programmes might serve a valid function in a well-functioning state, but are not effective where corruption is endemic.

Second, the programme’s basic purpose could be retained, but redesigned to make it simpler and easier to monitor. For example, if economic efficiency is a programme goal, then reforms could introduce legal market-based schemes. But simplification (e.g. reducing the number of steps needed to gain government approvals and payments for goods supplied) will not always reduce corruption if the rules are very rigid. Bureaucratic rigidity frequently breeds illicit behaviour on the part of both public servants and suppliers. Thus, simplicity will only work if it is not excessively arbitrary and if higher officials or independent enforcement officials aggressively pursue anti-corruption measures.

Privatisation (the removal of state-run enterprises to the private sector) can also result in a diminution of opportunities for corrupt practices, simply because private sector accounting methods and the need to operate to a profitable “bottom line” are strong incentives to man-

---


agement to implement internal anti-corruption strategies. Some exponents of privatisation go so far as to argue that it is a form of cure for corruption. However, others view it as “taking a sledge-hammer to crack a nut”: there should be sound social, economic and political reasons favouring privatisation, apart from anti-corruption reform, before that path is pursued. In addition, there can also be a danger of creating a monopoly situation in the private sector through privatisation (e.g. of water and other essential public utilities) whereby corruption at the petty level may be eliminated but other abusive practices introduced.

If corruption is the result of a scarcity of programme benefits, the size of the programme could be expanded, perhaps converting it into an entitlement initiative. However, ending scarcity does not necessarily end corruption. Officials will still need to decide who qualifies to benefit from the programmes. Thus, the government would need to articulate clear standards that can be easily evaluated by outsiders. If programme entitlements are clearly specified, both in duration and character, and the state is prepared to uphold these rights, bribes are less likely to be sought or paid. Once again, the reforms must match the country’s capacity.

"Positive silence"

Recent reforms in Bolivia include publicising procedures and costs. All government offices will have to display posters explaining the required paperwork and the exact costs of each transaction, to prevent government employees from demanding bribes.

“Positive silence” is also introduced whereby citizens applying for occupational licences, car registrations or other government certificates will be considered to have had their applications automatically approved if they are not rejected within 15 days. The expression “Come back tomorrow,” is famous in Bolivia. What it really means is “Come back with money.” Under the reforms, if citizens are asked to “come back” they need only wait 15 days to invoke "positive silence":12

Involving civil society

Where genuine attempts to combat corruption have been unsuccessful, there has generally been one missing ingredient - the involvement of civil society. The Times of India has observed that: “People’s acceptance of corruption as a fact of life and their general despondency need to be tackled first.”13 Most people in civil society have a fundamental interest in an effective integrity system: the private sector, religious leaders, the press, the professions and, above all, the ordinary citizen who bears the brunt of corruption on a daily basis.

Civil society involvement is crucial to the success of any anti-corruption strategy, and this Source Book gives examples from around the world of ways in which civil society is starting to play a more meaningful role14.

Some of the solutions lie within civil society itself - for example, the need to reverse public apathy or tolerance of corruption. But civil society is also part of the problem. State activities

12 “Bolivia paves the anti-corruption road”, Miami Herald, 30 September 1998. Posting fees in public places, however, has not worked in Nigeria. The posters are ignored, and although the public know what they should be paying, they continue to be forced to pay extras to officials (conversations with Tom Sawyer, August 2000).


14 Indeed, civil society has done so in the past. See the concluding discussion in the chapter on the role of the private sector. Once anti-bribery legislation was passed in the UK in 1906, a number of its supporters formed an NGO, the Secret Commissions and Bribery Prevention League of which “practically all the leading bankers, merchants and traders” were members. The League monitored implementation of the new law, often bringing prosecutions itself. This, coupled with the stiff sentences the judges gave to the convicted, brought about a discernible change in attitudes. A similar Anti-Bribery League was established in Germany.
do not take place in a vacuum. It is often the general public that is paying the bribes. The point of interface between the private and the public sectors is also often the point at which grand corruption flourishes and the largest bribes are paid.

Thus, any attempt to develop an anti-corruption strategy that fails to involve civil society is neglecting one of the most potentially useful and powerful tools available. Of course, in many countries where corruption is rife, civil society is weak, apathetic or only in the early stages of mobilisation and organisation. These are not reasons to neglect its role, however, as the very involvement of an emerging civil society can, of itself, provide strength and stimulus for the further development of an anti-corruption strategy.

However, this is not to suggest that non-governmental organisations are wholly without their own problems, both of corruption and of credibility. Many have been established simply as a means for accessing funds from development agencies; many conduct their affairs without transparency and with an absence of accountability. Some, indeed, are little more than criminal enterprises dressed in the garb of civil society. Not only do such discreditable organisations engender public distrust of civil society as a whole, but they also arm critics, in powerful positions, who wish to ensure that civil society is disempowered. It is perhaps a good starting point for civil society to first examine the legitimacy and standards of its own key institutions and determine ways of strengthening their own integrity.

Civil society can hardly demand higher standards from those in government than it is prepared to set for itself.
