



## Session 27

### Anti-Corruption and Leadership

#### TIME SCHEDULE

- Introduction: 5 min
- Group Exercise 1: 25 min (15 min group work + 10 min report back to plenary)
- Presentation: 30 min
- Group Exercise 2: 60 min (40 min group work + 20 min report back to plenary)

#### PURPOSE OF MODULE

The purpose of the module is to:

- Give participants an understanding of what corruption is and its underlying causes
- Challenge participants preconceived notions on corruption
- Give participants an understanding of the link between corruption and development
- Provide participants with brief background on the successful elements of an anti-corruption strategy
- Challenge participants to think about what they themselves can do to support the fight against corruption.

#### MATERIALS REQUIRED

- LCD Projector
- Flip chart paper and pens (one flip chart/break out group)

#### PROCESS

- Participants will first be introduced to basic concepts of corruption.
- This is followed by the first group exercise during which **participants are asked to reflect on a number of statements, listed on Slide 6, about corruption.** The purpose of this is to challenge participants to think about their perceptions and attitudes towards corruption based on a couple of commonly held misconceptions regarding the nature and impact of corruption. Participants will discuss in groups and report back to plenary.
- The first group exercise is followed by the remainder of the presentation discussing the impact of corruption on development, different approaches taken to combating corruption and what participants themselves can do to help in the fight against corruption.
- The session closes with group exercise 2 during which participants are challenged to think about what they themselves can do in terms combating corruption, what challenges they expect to face, and what the possibilities for coalition building and cross-sector cooperation are. **The groups will be asked to answer the questions listed on Slide 24.** Participants will discuss in working groups and report their findings/conclusions in plenary for further discussion.



## SLIDE BY SLIDE NARRATIVE

### 1. What is corruption?

**(SLIDE 2)** Corruption takes many forms and occurs in all sectors. This presentation will mainly deal with **Public Corruption**, often defined as the misuse of public office for private gain.

#### *Types of corruption*

**Bribery** (i.e. an offer of money or favours to influence a public official) is what often comes to mind when thinking about corruption. However, bribery is only one form of corruption.

It also includes:

- **Nepotism** (i.e. favouritism shown by public officials to relatives and close friends);
- **Fraud** (i.e. cheating the government or other actors through deceit); and
- **Embezzlement** (i.e. stealing money or other government property).

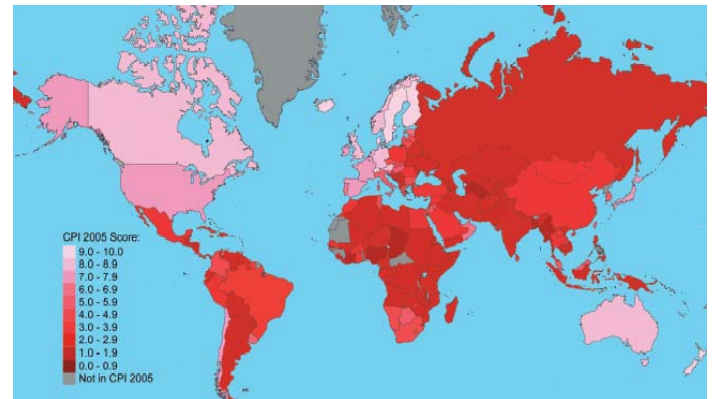
**(SLIDE 3)** When thinking about corruption it is also necessary to distinguish between:

- **Administrative Corruption** (defined as corruption that alters decisions and the implementation of policies); and
- **Political Corruption** (defined as corruption that influences the formulation of laws, regulations and policies).

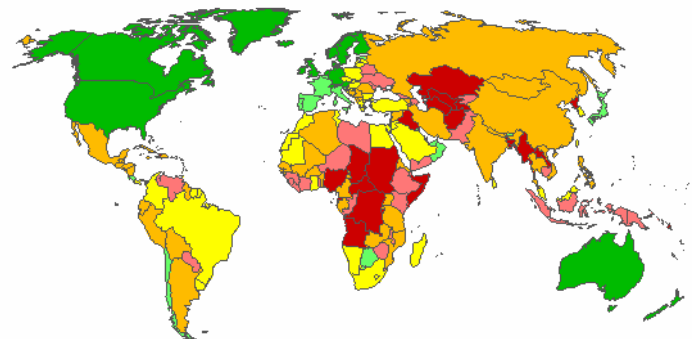
Finally corruption may be **Grand** (i.e. corruption involving substantial amounts of money and usually high-level officials) and **Petty** (i.e. corruption involving smaller sums and typically more junior officials).

### 2. State of corruption

#### *Transparency International - Corruption Perceptions Index 2005*



#### *World Bank - Control of Corruption 2004*



**(SLIDES 4+5)** The two maps above represent two different datasets on corruption in the world, each using a different methodology. Although the classification of countries differs somewhat it is evident that corruption is indeed a serious challenge in Asia. In fact, according to Transparency International's Corruption Perceptions Index, of the 5 most corrupt countries in the world 3 are in Asia (Bangladesh, Myanmar and Turkmenistan).

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## 3. Thinking about corruption

### (SLIDE 6) GROUP EXERCISE 1

*The purpose of the first group exercise is to challenge participants to think about their perceptions and attitudes towards corruption based on a couple of commonly held misconceptions regarding the nature and impact of corruption.*

- Corruption is a part of the culture in many countries across Asia. It is the way things have always been done.
- Corruption is primarily the result of individuals lacking in morals/ethics.
- Corruption can be beneficial, or at least not detrimental to development. Corruption can serve to “grease-the-wheels” of the economy, i.e. speed up processes and help avoid excessive bureaucracy and regulations.

*The groups will be asked to reflect on each of these statements and give a motivation for why they believe the statements to be either true or false.*

## 4. Dispelling the myths

*Corruption, cultural values and incentives*

(SLIDE 7) Although there are different cultures of gift-giving etc across the world all cultures have a notion of corruption although it may differ from country to country. The difference between what is culturally accepted and what is not can be thought of as what can be done openly without causing offence or outrage. Corruption in developing countries does not happen because people there are different from people in the developed world but because the conditions for corruption exist. However, the social and cultural context must be taken into account if any strategy to combat corruption is to be successful.

The factors usually contributing to corruption include:

- **Clear opportunities** (e.g. state monopolies or complex rules and regulations for importing goods into the country);
- **Low risk of getting caught** (combination of lack of transparency and weak enforcement);
- **Bad incentives** (e.g. insufficient salaries or job insecurity - in extreme cases individuals “buy” their jobs with the understanding that they will make money through bribes); and
- **Attitudes or circumstances that make individuals disregard the law** (e.g. trying to get around laws of a government they see as illegitimate).

Thus it is not simply about the ethics and morale of the individual but rather about the way that the government/state is set up and managed.

*Corruption and development*

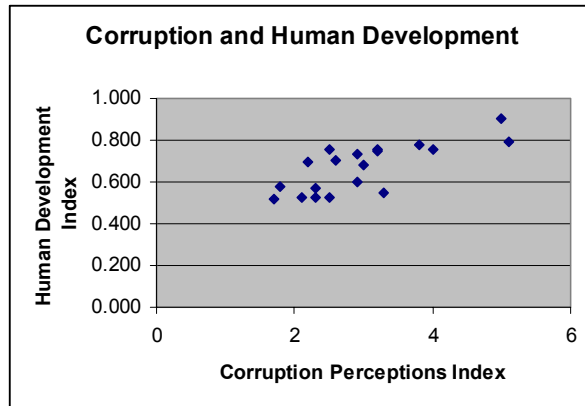
(SLIDE 8) Rather than working as a “grease” that lubricates the “squeaky wheels” of rigid administration corruption fuels the growth of excessive and discretionary regulations, as these increase the opportunities for extracting money.

Corruption is today commonly accepted as one of the most serious threats to growth and development in the world in general and in Asia in particular.

(SLIDE 9) The below chart illustrates the relationship between perceived levels of corruption, as measured by Transparency International, and human development, as measured by UNDP’s Human Development Index, in 19 countries in Asia and the Pacific. Although this is a very simple statistical comparison and it doesn’t provide information on trends over time it does illustrate what appears to be a relatively strong relationship between low levels of corruption and higher levels of human development.

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**(SLIDE 10)** Some of the reasons why corruption hurts development are that:

- Decisions are not taken for the public benefit but serve private interests
- High-cost overly complex and prestigious projects are favoured over cost-efficient development projects making use of the most relevant/appropriate technology
- A private 'levy' is imposed on public investment. These inflated costs often add to the national debt.
- Instead of fair competition based on price, quality and innovation corruption leads to competitive bribery - harming trade and deterring new investment.

**(SLIDE 11)** These distortions caused by corruption leads to:

- Social and economic development being distorted; and
- Erosion of the provision of essential public services and undermining the proper functioning of the State.

**(SLIDE 12)** The bottom line is that corruption is explained by systemic failures, not simply culture or the individual. Corruption hurts everyone in society, deepens poverty, increases income inequality and acts as a deterrent to development. Furthermore corruption tends to hurt the poor the most.

## 5. Fighting corruption

**(SLIDE 13)** As was illustrated previously corruption is primarily a governance issue - a failure of institutions and a lack of an appropriate legal framework.

**(SLIDE 14)** It needs to be addressed through three separate approaches i.e.: (1) **Prevention**; (2) **Education**; and (3) **Enforcement** - often termed the three-pronged approach. This is the approach that has been adopted in most of the countries that have been successful in combating corruption (e.g. Hong Kong, New South Wales and Singapore).

Emphasis is often placed on enforcement. However, experience from across the world has shown that no approach has been successful without also addressing prevention and education. Incentives, prevention, and systematic change within institutions play at least as important a role as traditional case-by-case enforcement.

A model for combating corruption that has been held up as a successful example is the establishment of an independent anti-corruption commission/agency - e.g. in Hong Kong, New South Wales and Singapore. This approach is however very input intensive and many countries in the region do not have the resources needed in order to establish an effective and functioning institution.

Furthermore, not enough attention is given to the other reforms that accompanied the establishment of an anti-corruption body in the countries that have been successful in combating corruption. If it had not been for the broader economic and institutional reforms that were undertaken simultaneously it is not likely that the anti-corruption body would have been successful.

**(SLIDE 15)** Although there will be different priorities in different countries depending on

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the challenges faced, anti-corruption reforms typically include:

- **Economic reforms** (that reduce opportunities for corruption)
- **Institutional reforms** (that promote accountability and transparency)
- **Administrative reforms** (that improve incentives for public officials)
- **Awareness raising campaigns** (that encourage citizens to resist as well as play an active role in the fight against corruption)

Institutional reform relates to the full range of institutions that are involved in the fight against corruption - what is often referred to as the National Integrity System. These include Anti-corruption agencies, the judiciary, prosecutors, ombudsperson, audit institutions, national assemblies, etc.

The fight against corruption is often triggered by a specific event prompting governments to take immediate, often short-term, action. When the issue loses its newsworthiness attention often tends to subside.

**(SLIDE 16)** For any anti-corruption strategy to be successful it must be long-term and have full support at the highest political level as well as involve all stakeholders. Stakeholders include amongst others **Citizens, Governments, the Private Sector, Civil Society Organizations and the Media.** Remember that fighting corruption is not only about laws and institutions but also about changing minds and perceptions.

## 6. What can you do?

**(SLIDE 17)** In looking at what the Young Leaders can do in fighting corruption the focus will be on **Parliaments, Civil Society, and Media** (with Research Institutions as part of both Civil Society and Media) as these are the most likely participants of future trainings of young leaders.

The main aim of this section of the module is to highlight the contribution that participants can make in terms of:

- Advocacy (including the importance of data on corruption)
- Awareness-raising (including the importance of data on corruption)
- Oversight
- Coalition building

Areas where you can contribute to the fight against corruption:

- **Advocacy**
- **Awareness-raising**
- **Oversight**
- **Coalition building**

**(SLIDE 18)** As noted above political will at the highest levels is crucial for any strategy for fighting corruption to be successful. As you may remember we also discussed the fact that action against corruption is often taken with a short-term perspective caused by an event leading to public outrage. Often however the public's attention will fade and consequently so will efforts on the part of governments to push through difficult reforms.

It is in view of this that advocacy and awareness-raising have an important role to play. When there is a lack of political will it may still be generated, in the long-term, by efforts to enhance public awareness and mobilizing civil society to support anti-corruption efforts.

Role of the various sectors/actors:

### **(SLIDE 19) Media**

Media has an important role to play in terms of awareness-raising as well as oversight. Often the two will go hand-in-hand. Through investigative journalism media can act to uncover and report to the public cases of corruption and wrongdoing. However, they serve an important additional role in that they can perform the role of watching the



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watchdogs, i.e. provide oversight over the institutions that are charged with combating/preventing corruption.

## (SLIDE 20) CSO/NGO

An important role for CSOs/NGOs is to advocate for placing corruption firmly on the political agenda as well as for change, be it to the institutional or legal framework in place for fighting corruption. In advocating for change CSOs/NGOs will need to mobilize their constituents/public around the issues, thus closely linking advocacy to awareness-raising. CSOs/NGOs play the role of raising awareness amongst their constituents on the ills of corruption as well as what the public can do to support the fight against corruption, i.e. enlist their support in the fight against corruption.

CSOs/NGOs can also play the role of watchdogs. There are many ways that this can be done, including through collection of data, social audits, citizen report cards etc. In particular CSOs/NGOs can play a crucial role at the local level in monitoring service delivery, as centralized institutions set up to prevent corruption often lack the capacity to perform this role at the local level.

*The United Nations Convention Against Corruption (UNCAC) is an important tool for both media and CSOs/NGOs to hold Government accountable in terms of taking its responsibility for combating corruption.*

## (SLIDE 21) Parliamentarians

The main role of parliamentarians is to perform an oversight function. It is the Parliament which approves budgets and thus also fills the function of reviewing it. Furthermore Parliament can in several countries act to censure members of Government believed to be involved in corruption.

Parliamentarians, being at the 'centre' of power also have an opportunity to advocate for placing corruption on the political agenda, making it a priority area.

## (SLIDE 22) Necessary preconditions

However, in order for the various sectors to be able to contribute effectively to the fight against corruption certain considerations need to be taken.

- What is the legal framework that media and CSOs/NGOs have to work within, in particular as regards to Freedom of Information and Access to Information legislation? **FOI and A2I legislation is often considered as necessary for the actors to be able to perform their oversight role effectively.**
- What is the legal and institutional framework in place for combating corruption, i.e. what are the strengths/weaknesses and which are the areas that need improvement?
- Is there sufficient data available on corruption in your country? **It is necessary to have the relevant data in order to identify the sectors most vulnerable to corruption as well as to know the extent of corruption in a country. CSOs/NGOs, together with the public, have an important role to play also in this regard as they can play an active role in collecting data.**

## (SLIDE 23) Coalition building

Building coalitions between civil society and media has the potential of strengthening efforts to combat corruption. It allows the various stakeholders from government as well as civil society to coordinate their efforts, pool scarce resources, and together establish priorities and strategies. **If the stakeholders can speak with one voice it is more likely that they will be listened to!**

The young leaders taking part in the training, representing the various sectors have an opportunity to start discussing how they could work together in combating corruption. Also when they return to their countries they, as young leaders, have an important role to play

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in advocating for the various stakeholders to come together in the crucial fight against corruption.

## **(SLIDE 24) GROUP EXERCISE 2**

*The purpose of the second group exercise is to challenge participants to think about what they themselves can do in terms combating corruption, what challenges they expect to face, and what the possibilities for coalition building and cross-sector cooperation are. Participants will discuss in working groups and report their findings/conclusions in plenary for further discussion.*

# MODULE ON CORRUPTION

## Young Leaders Training

### What is Corruption? (1)

**Public Corruption:** the misuse of public office for private gain

**Types of corruption:**

- Bribery
- Nepotism
- Fraud
- Embezzlement



## What is Corruption? (2)

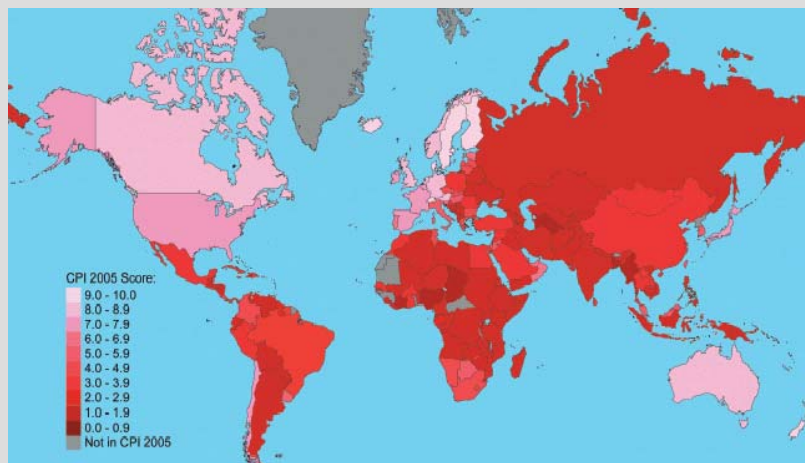
**Distinction needs to be made between:**

**Administrative vs. Political Corruption**

and

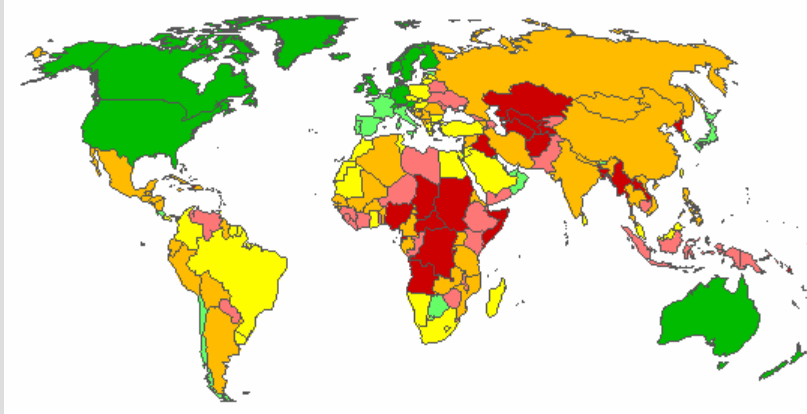
**Grand vs. Petty Corruption**

## State of Corruption (1)



Source: Transparency International Corruption Perceptions Index 2005

## State of Corruption (2)



Source: World Bank Control of Corruption 2004

### Thinking about corruption GROUP EXERCISE 1

- Corruption is a part of Asian culture – it's the way things have always been done
- Corruption is caused by individual's lack of morals/ethics
- Corruption can be beneficial to development serving to "grease-the-wheels" of the economy

## Dispelling the Myths (1)

Factors contributing to corruption include:

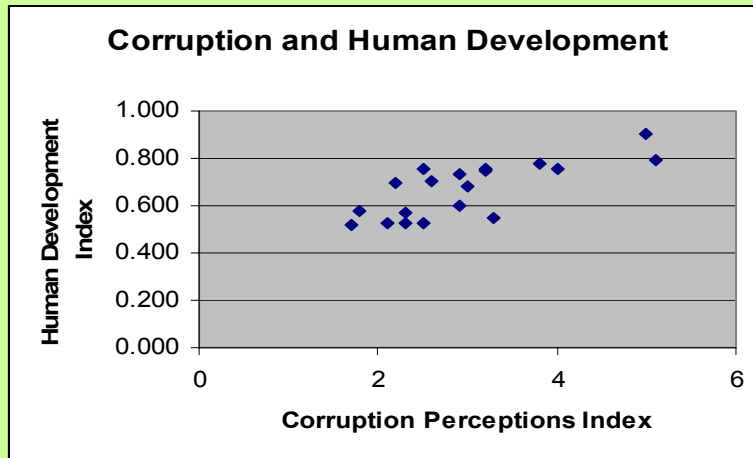
- **Clear opportunities**
- **Low risk of getting caught** (combination of lack of transparency and weak enforcement)
- **Bad incentives**
- **Attitudes or circumstances** that make individuals disregard the law

## Dispelling the Myths (2)

**Corruption is commonly accepted as one of the most serious threats to growth and development**

## Dispelling the Myths (3)

Relationship between corruption and human development



## Dispelling the Myths (4)

Corruption hurts development because:

- **Decisions are not taken for the public benefit** but serve private interests
- **High-cost overly complex and prestigious projects are favoured** over cost-efficient development projects
- **A private 'levy' is imposed on public investment**, adding to the national debt
- **It harms trade and deters investment**

## Dispelling the Myths (5)

Corruption leads to:

- Social and economic development being distorted
- Erosion of the provision of essential public services and undermining the proper functioning of the State

## Dispelling the Myths (6)

The bottom line is:

- Corruption is explained by systemic failures, not merely culture or the individual
- Corruption hurts everyone in society, deepens poverty, increases income inequality and is an obstacle to development
- Corruption hurts poor the most

## Fighting Corruption (1)

**Corruption is primarily a governance issue – a failure of institutions and lack of an appropriate legal framework**

## Fighting Corruption (2)

A 3-pronged approach to fighting corruption:

- **Prevention**
- **Education**
- **Enforcement**

## Fighting Corruption (3)

Anti-corruption reforms typically include:

- **Economic reforms**
- **Institutional reforms**
- **Administrative reforms**
- **Awareness raising campaigns**

## Fighting Corruption (4)

A successful anti-corruption strategy:

- **Has a long-term approach**
- **Has full support at the highest political level**
- **Involves all stakeholders**



## What can you do? (1)

Areas where you can contribute to the fight against corruption:

- **Advocacy**
- **Awareness-raising**
- **Oversight**
- **Coalition building**

## What can you do? (2)

**Political will can be generated, in the long-term, by efforts to enhance public awareness and mobilizing civil society to support anti-corruption efforts**

## What can you do? (3)

### **MEDIA**

- **Raise public awareness** on corruption
- Through **investigative journalism** uncover and report on corruption and wrongdoing
- **“Watch the watchdogs”**

## What can you do (4)

### **CSO/NGO**

- **Advocate for placing corruption on the agenda**
- **Advocate for change** in institutional and legal frameworks for combating corruption
- **Raise public awareness** on corruption
- Act as **“watchdog”**, enlisting **public support**

## What can you do (5)

### PARLIAMENTARIANS

- **Advocate for placing corruption on the political agenda**
- **Provide budgetary oversight**

## What can you do? (6)

Questions needing to be answered:

- Is there **Freedom of Information** or **Access to Information legislation** in your country?
- What is the **legal and institutional framework in place for combating corruption** in your country?
- Is there **sufficient data available on corruption** in your country?

# What can you do ? (7)

## Coalition building

Allows stakeholders to:

- **Coordinate efforts**
- **Pool scarce resources**
- **Establish common priorities and strategies.**

**If stakeholders can speak with one voice it is more likely that they will be listened to!**

## What action will you take?

### GROUP EXERCISE 2

- What can you do to help in the fight against corruption?
- What are the main challenge you expect to encounter?
- What can you do in terms of promoting cooperation across sectors?