

# Promoting Integrity and Accountability in Public Service in efforts to combat Corruption

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ORGANIZED BY OECD TAX ACADEMY-NORTH AFRICA AND MIDDLE EAST GROUP

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The context

# Introduction: Role of Public Service

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Public administration is the responsibility of governmental agencies. It is the mechanism with which government provides numerous services in the public interest. These include:

1. **Developing policy and legislation,**
  2. **Managing budgets,**
  3. **Implementing laws and policies,**
  4. **Analyzing data to determine public needs.**
  5. **Ensuring social and economic development**
  6. **Provides continuity when governments change in a country. It survives even revolutions and coup d'état.**
  7. **Paul Pigors opines that “ public administration is a great stabilizing force in society and the guardians of tradition”.**
- These functions provide for the well-being of citizens.

# Introduction Cont'd

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Government officials are **stewards of public resources and guardians of a special trust** that citizens have placed in them. In return for this confidence, they are expected to put public interest above self interest.

Unfortunately, there is the **reduced accountability** among public officials and institutions when rendering public services and there are **many scandals** involving public officials.

Citizens **lose confidence** in a government that is unable to deliver basic services

Today, **citizens are demanding** clearer and greater accountability for the way the government spends their taxes and uses its authority. Citizens now demand for fair treatment, efficient and effective service delivery, citizen engagement in policy making and the observance of the rule of law.

As public officers, we hold a vantage position, but are we worth the trust?

# Statistics: State of Corruption

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- i. Estimates by the World Economic Forum, indicate that the global cost of corruption is at least \$2.6 trillion, or 5 per cent of the global gross domestic product (GDP).
- ii. World Bank estimates of 2018 indicate that businesses and individuals pay more than \$1 trillion in bribes every year.
- iii. The global Financial Integrity Report gave an estimate of Africa having lost between USD 36 Billion to 69 Billion between 2005 and 2014 to illicit financial flows.

# Accounting scandals

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The last two decades saw some of the worst accounting scandals in history.

**Enron Scandal (2001)** :a US energy, commodities, and services company based out of Houston, Texas.

**WorldCom Scandal (2002)**: WorldCom had inflated its assets by almost \$11 billion, making it by far one of the largest accounting scandals ever. ... The scandal resulted in over 30,000 job losses and over \$180 billion in losses by investors.

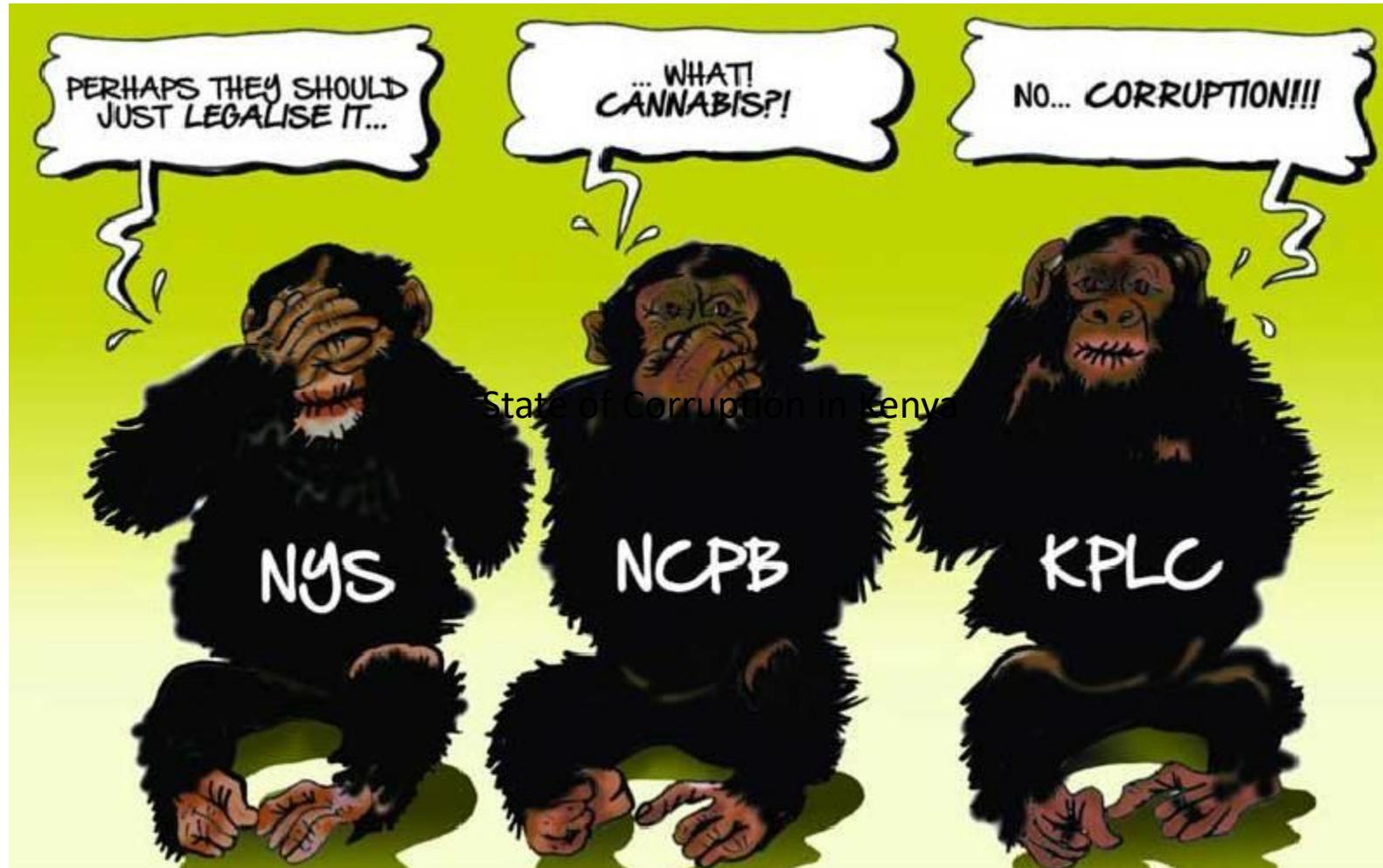
**HealthSouth Corporation** is a top US publicly traded healthcare company -inflated earnings by over \$1.8 billion.

Billions of dollars were lost as a result of financial disasters, which destroyed companies and ruined peoples' lives.

Many of these accounting scandals were a result of the excessive greed of a few individuals whose actions led to disastrous consequences which brought down whole companies and affected millions of people.

# Corruption Scandals in Kenya

- Air supply scandal
- Maize scandal
- COVID-19 funds
- Transformers
- Land grabbing
- Dams scandal



How has the public reacted to some of the corruption cases befalling your country?

# Handshake

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How has Corruption affected you as an Individual?

**There was a time when no one felt the need for a written contract.** A person's word was all that was required. Enemies would settle conflicts by accepting mere verbal representations from people who, hours before, were fighting to their death. Commercial transactions would take place based on a verbal representation and a handshake.

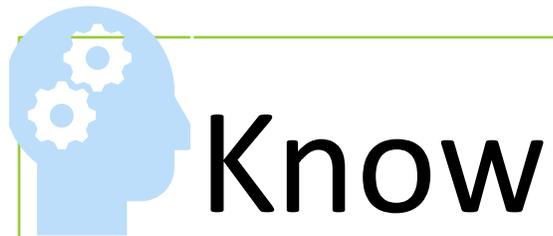
# Integrity Defined

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- Integrity is doing the right thing even when no one is likely to know/see what you are doing.
- Integrity is doing the **right thing right** inspite of the **consequences** and irrespective of the **circumstance.**
- **Integrity in thought, word and deed**  
**What are the Qualities of a person/institution of integrity?**

# Integrity- congruence

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It connotes a deep commitment **to do the right thing for the right reason, regardless of the circumstances.** It is a concept of consistency of actions, values, methods, measures, principles, expectations and outcomes.

# Five aspects about Integrity

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1. Integrity is a **personal choice**, actually it's a lot of choices.
2. Integrity involves the **consistency** of a person's **thoughts, words and deeds** (Palanski & Yammarino, 2007).
3. **Integrity has a cost.** 'A person of integrity is willing to bear the consequences of his/her convictions' (Mcfall, 1987, p. 9).
4. Integrity is **not a sometime thing**. It is an all time thing. Something is either right or wrong, black and white. There is no in-between.
5. In big ways and small ways, in visible or invisible situations, employees have the opportunity to demonstrate their integrity—or lack of it—every single day.

Mcfall maintained, 'A person of integrity is willing to bear the consequences of her convictions' (Mcfall, 1987, p. 9).

Integrity is important for leaders, managers, workers, and men, women, children and all people.

# What is ACCOUNTABILITY

Public accountability pertains to the obligations of persons or entities entrusted with public resources to be answerable for the fiscal, managerial and program responsibilities that have been conferred on them, and to report to those that have conferred these responsibilities



It presumes the existence of **two parties**: one who allocates the responsibility and one who accepts the responsibility with the undertaking to report upon the manner in which it has been discharged.

Accountability focuses on the ability to account for the allocation, use and control of public expenditure and resources in accordance with legally accepted standards,

Underlying principle of public accountability is **Public Trust & confidence**

# Pertinent Questions

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To effectively analyse accountability three questions must be answered:

1. Who is held accountable,
  2. For what are they accountable;
  3. To whom are are accountable;
- Is accountability a one person/s or one agency's responsibility?
  - Does the chief executive officer take responsibility for every aspect of the organization's operations?
  - Can Corporate entitles be held accountable for individual actions

# Accountability

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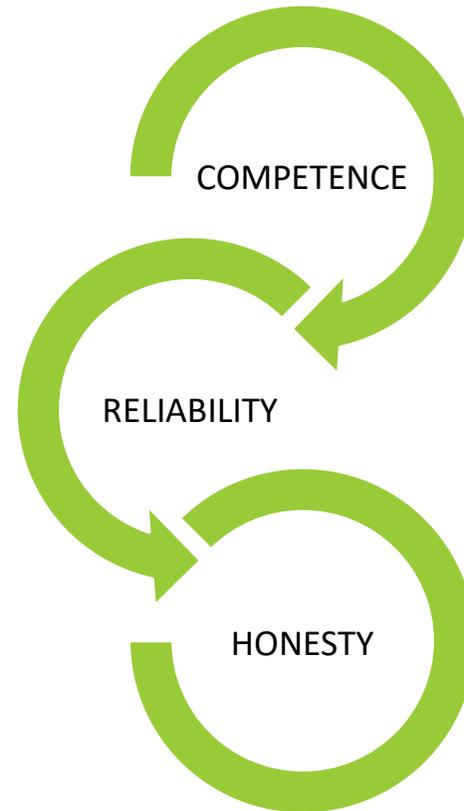
1. Taking responsibility for Actions taken, Decisions and Policies made, Products, Results & performance of tasks and for omissions
2. Answerability for any **deviations** from its stated goals and values.
3. Responsible for successfully completed tasks and for uncompleted tasks - explain why they failed to do so.
4. It encompassing the obligation to report, explain and be answerable for resulting consequences.
5. Accountability and transparency are cornerstones of good governance.

# Public Accountability

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How do you then build public trust and confidence?

Ingredients of Public Trust



Public trust and confidence is built and maintained by the public sector demonstrating competence, reliability, and honesty.

# Corruption

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The term “**corruption**” is derived from the Latin word “**corrupts**” meaning “**to destroy**”.

## What does it destroy?

- Ethical and moral values
- Systems and institutions of governance
- Societal traditions and personal value system
- Decision making process
- Visions

## Corruption starts at individual level

# corruption

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The abuse of entrusted power or authority (Public or private) resulting to personal gain or advantage at the expense of public good or collective interest.

World Bank Defines corruption as:

*The abuse of entrusted power or authority for personal Gain*

**Discuss: What gain?**

**What Loss?**

# Corruption

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1. Corruption is ‘an act of dishonesty, an immoral or wicked act’ ( Oxford Dictionary)
2. It is behavioural because it deviates from the set rules of conduct. It is a failure to follow socially established moral standards.

- The gain can be financial or non-financial.
- Involves illegitimate advantage and acquisition of something
- Violation of law
- Corruption involves secrecy and lack of transparency of an activity.
- Damaging to moral integrity and mutual agreement.

**We need to look beyond monetary exchanges when analyzing corruption**

**Corruption of the mind ; Corruption involving money**

# Legal Definition

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## What is the legal definition of corruption in your country?

The ACECA, 2003 Act does not define corruption but states the offences that constitute corruption and economic crimes

“corruption” means— (a) an offence under any of the provisions of sections 39 to 44, 46 and 47;

(b) bribery; (c) fraud; (d) embezzlement or misappropriation of public funds;

(e) abuse of office; (f) breach of trust; or (g) an offence involving dishonesty— (i) in connection with any tax, rate or impost levied under any Act; or (ii) under any written law relating to the elections of persons to public office

Deceiving principal, Bid rigging,

# Quote

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There are no better words to explain corruption and its consequences to the society (rich or poor) than the words of the late Kofi Annan, the former UN Secretary General:

*“Corruption is an insidious plague that has a wide range of corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life, and allows organized crime, terrorism, and other threats to human security to flourish.*

This evil phenomenon is found in all countries—big and small, rich and poor—but it is in the developing world that its effects are most destructive.

# Typology of Corruption

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**What's the difference? Why the classification?**

# Two Perspectives

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Corruption is a two sided coin.

- **Demand Side**

*Corrupted -recipients of bribery*

Public



## Supply Side

*Corruptor*

Private



There is need to address both the source and recipients of bribes



Huge amounts of \$\$\$ have corrupted doctors, universities, researchers, journalists, lawyers, investigators and everybody knows. **But why do we still allow it to happen?**

*Everybody knows the war is over  
Everybody knows the good guys lost  
Everybody knows the fight was fixed  
The poor stay poor, the rich get rich  
That's how it goes  
Everybody knows by Leonard Cohen*

Corruption is an enemy within



Corruption is an enemy within

# Causes: Psychology of Corruption

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1. The basic question “**what explains corrupt behaviour**” has long plagued scholars and practitioners (Nye 1967; Bardhan 1997).
- What makes individuals engage in corrupt acts has recently **received renewed attention in policy and academic circles because, despite the rise and spread of the global anti-corruption movement, many highly corrupt countries have made little progress on reducing corruption (Heywood 2017; Rose-Ackermann and Palifka 2016;**

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The psychology of corruption deals with **the dynamics that contribute to corrupt behaviour**

There are many factors that explain the propensity to be corrupt

**Question:** Is it possible for a good person to change his behaviour and engage in corruption?

Can a well raised person engage in corrupt acts?

# The “Fear” factor

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And then there is the ‘fear factor’.

Job insecurity, health insecurity and old age insecurity leave people worried.

**Self-promotion** and **self –protection** (fear) are the reigning motivations that dominate the leadership landscape.

Fearful attitudes lead to a self centred view of life

Getting a way to insulate against such risks.



|| **Power** Does Not Corrupt.  
Fear Corrupts... Perhaps  
The Fear Of A **Loss** Of Power.

# Pressure

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David Myres (1994) in his book 'exploring social psychology' argues that nice, good people can become corrupt through excessive social pressure.

Daily pressure for money from family may disturb the mental balance of govt and non govt officials

Pressure can be real or imagined

# Socialization Factors

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**Socialization process:** the socialization, modelling and education from parents and caregivers shapes the morality and ethics of a person. Fabrro and Upadhyay argues that we learn behaviour at the knee of our parents and teachers.

However, they also agree that a person moral and ethical development can be disturbed by dire economic and social circumstances in which personal survival become prioritized above everything else.

Poor pay for civil servants?

# Org Culture

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The organizational culture theory states that corrupt behaviour of a person is a result of social (group) and overall culture of an organization he/she is working in (De Graaf, 2007).

If corruption is commonly accepted in an organization, a person would feel safer: he would be aware of many cases when his colleagues escaped prosecution even when caught.

This is the "bad barrels" theory that looks to the organisation to explain misbehaviour in the workplace.

# Factors

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Bruce Schneier a writer on the psychology of fraud says that people commit acts of corruption and fraud because human beings like each other.

That relationship of friendship and loyalty make people not see their actions as corrupt. He argues that it is never a lone person who benefits, there are always groups of people who gain (the web of corrupt individuals)

Cultural values of Sharing and Care may lead to pressure to behave corruptly. The propensity of corruption may lie in the need to be seen to share and care.

# Bad Apple theory

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Quote: President Thabo Mbeki said;

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“ the underlying cause of corruption is a **disjunction** that has occurred between **spiritual and material** human needs”  
In this situation ‘success in the accumulation of material values become accepted within our social value system as a pre-eminent goal to pursue and a pre-eminent criterion by which to judge whether a citizen is a successful person or a failure’.

**Wangari Mathai**, the Nobel Prize winner noted that :

*‘those who are corrupt prosper and are therefore often considered to be role models rather than those who retain their integrity but are poor and unsuccessful.’*

# Factors:

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Corruption is a **behavioral** problem influenced by: **A person's mind set** and **environment**



Corruption = Pressure + Opportunity + Rationalization

(S. Powell: From 3<sup>rd</sup> World to 1<sup>st</sup> World)

# Sources of corruption

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Social

Cultural

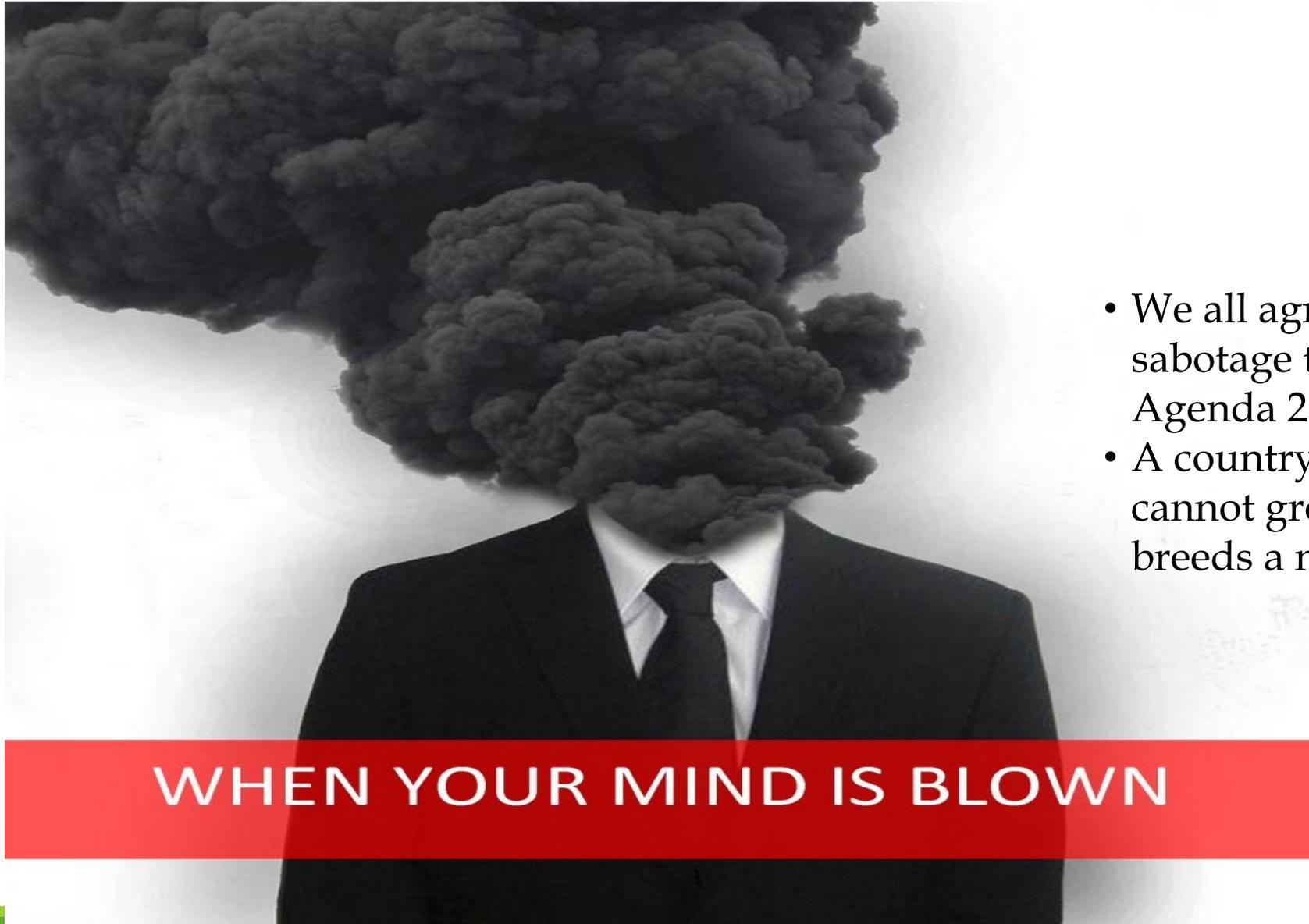
Economic

Political

Institutional

Individual

What then are the social, cultural, economic, political, institutional and individual factors that lead people to engage in corruption?



- We all agree that rise in corruption would sabotage the dream of Agenda 2063, ' Agenda 2030 (SDGS), Vision 2030
- A country that is devastated by corruption cannot grow, is not competitive and this breeds a new cycle of doom

WHEN YOUR MIND IS BLOWN

# Quote: Why combat corruption?

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***"Corruption is the thief of economic and social development; stealing the opportunities of ordinary people to progress and to prosper."***

- Yury Fedotov, Executive Director of the United Nations Office on Drugs and Crime in his address to the Fifth Session in Panama City, 2013

**Corruption** leads to the theft, wastage, and misuse of scarce resources and also entrenches elite privilege and inequality, undermining institutions of **accountability** with lasting consequences.

"Corruption is a global threat. It is a serious roadblock to economic development," said the Executive Director of the United Nations Office on Drugs and Crime (UNODC), Yury Fedotov. "Corruption aggravates inequality and injustice, and undermines stability, especially in the world's most vulnerable regions."

**It plunders the national wealth**

# Why the Fight against Corruption?

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## 1. Financial costs-

- Bribery has become a \$1trillion industry.
- Corruption adds upto 10% to the cost of doing business and 25% to the cost of procurement. Thus diverting public resources from the legitimate sustainable devevelopment.
- Estimates show that the cost of corruption equals more than 5% of global GDP, or USD 2.6 trillion (World Economic Forum), with over USD 1 trillion paid in bribes each year (World Bank).
- Diverts crucial public resources away from legitimate use, and denying citizens essential public services.

2. **Legal Risks-** it is illegal for a company to engage in corrupt practice or to bribe foreign officials (UNCAC AND OECD Convections )

## 3. Reputational Risks

## 4. Erosion of public trust in the government of the day

# Social Effects of corruption

Insecurity  
Erosion of values  
Poor infrastructure  
Poor service delivery  
Increased food prices  
Harboring of terrorism  
More impoverished citizens  
Increased mistrust and suspicion  
Wide gap between rich and the poor



## Effects of Corruption

Corruption is a major impediment to the effective delivery of education services in any one country.

## PART FOUR

# Strategies: Promotion of integrity and accountability

# Group Work

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**Group One:** Strategies put in place in your respective countries to promote integrity and accountability; How successful have these strategies been?

**Group 2:** Role of Leadership in enhancing integrity and accountability

**Group 3:** Role of individual employees/citizens in promoting integrity and accountability

**Group 4:** The fight against corruption takes a multi-sectoral approach: what are the successes and challenges to this approach in your countries?

# Strategies – UNCAC

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The fight against corruption is informed by the guidelines and instruments put in place by the United Nations Convention against Corruption (UNCAC) (the only legally binding international anti-corruption multilateral treaty) that provides for **both preventive and punitive measures**.

1. **Criminalizes corruption**
2. **Addresses the cross-border nature of corruption** with provisions on international cooperation .-MLA and on the return of the proceeds of corruption
3. Provides for the **Preventive anti-corruption policies** and practices (Article 5).
4. Provides **for Codes of conduct** for public officials ( Article 8).
5. **Education and training programmes** to enhance public bodies awareness of the risks of corruption (Article

# Approaches

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## Punitive

- Punitive approaches seem to be the choice for the public.
- Sends very strong signal.
- De-barring companies that are said to be corrupt

## Preventive

- Preventive measures are hard sell to the public, yet it could have better results.

**Experience has shown that the costs of poor performance and corruption in the public service are too great to bear. The public service must work with the highest standards of integrity and conduct to ensure that the trust and confidence of citizens is maintained.**

# Approaches

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## Punitive

- Criminalization –Law Enforcement
- Asset Tracing and Recovery

## Preventive

- Systems
- Education and Public Awareness
- Administrative measures

# Strategies in the Prevention and Combating of Corruption and Economic Crimes

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- 1. Universal Instruments** : Kenya is a signatory of International agreements and instruments
- 2. Legal Framework: (Domestic)**
  - a) The Constitution of Kenya: Article 10, Article 232, Chapter Six on Leadership and Integrity
  - b) Domestic legislations such as ACECA, 2003; POEA, 2003; LIA, 2012; Bribery Act, 2016; PFMA,2015 ETC
- 3. Institutional Framework:** Establishment of Independent National Anti-Corruption Authorities and Agencies, coupled with Anti-corruption policies
- 4. Criminalization - Law Enforcement** (Investigations, Intelligence, Disruptions )
- 5. Asset Tracing and Asset Recovery**

# Efforts in the Prevention and Combating of Corruption and Economic Crimes

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1. **Administrative Mechanisms**, such as Vetting and DIALs
2. Systems
3. **Codes of Ethics**, Conduct and Professional Ethics/Mwongozo
4. **Mutual Legal Assistance (MLA)**
5. **Multi-Agency Teams (MAT)**- Stakeholder engagement, Collective Action
6. **Use of technology**- E-government- reducing personal contact and paperwork
7. **Education and Public awareness- Corruption Risk Assessment**
8. **Ethics training –**

Anti-Corruption Behavioural approaches should focus on attitude change and systems of values. The focus should not so much be on the cost of corruption. So how the communication and information is framed and presented should trigger change.

# Leadership

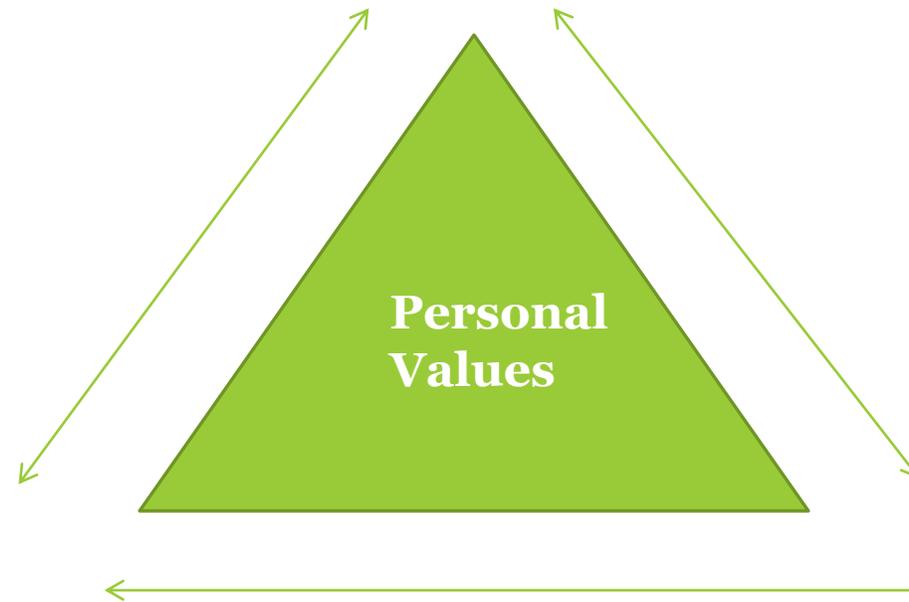
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**If you were made president or leader of this country 'what would you do to stop corruption?**

# Ethical Triangle

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Laws and Policies



Organizational  
Culture

- Authority
- Chain of command

Management

# Role of leadership

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# Conclusion

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**Integrity is not something you show others. It is how you behave behind their back.**

# Conclusion

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Make integrity become the norm and corruption the exception in regard to how public affairs are run and public resources are allocated and utilized.

“Man before the dollar” (In a letter of 1859 Abraham Lincoln stated that he was for “both man and the dollar, but in the case of conflict the man before the dollar”).

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**THANK YOU**