# Public Sector Ethics

Compendium for teaching at the
**Catholic University of Angola (UCAN)**

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# Preface

A formal institutional cooperation agreement was established in 2008 between the *Centro de Estudos e Investigação Científica* (CEIC) of the *Universidade Católica de Angola* (UCAN) and the *Chr. Michelsen Institute* (CMI) in Bergen, Norway (see: www.cmi.no/research/project/?1176=ceic-cmi-cooperation). In addition to the joint social science research projects, which are the base of this cooperation, it also includes some projects on teaching and the development of teaching materials.

The teaching material development component is called "Augmenting teaching resources at UCAN on natural resources, governance and ethics". This component consists of the development and production of three compendia to be used in courses taught at UCAN. The first compendium on *Business Ethics* was completed in August 2007. This is the second on *Public Sector Ethics*. A third compendium on *Natural Resource Management* will be produced in late 2009.

This second teaching compendium has been developed by partners at UCAN and CMI. It gives and overview of the topic of *Public Sector Ethics* and presents a selection of original, state-of-the art international journal articles and other written material on the subject. Some of these have been translated from English to Portuguese.

Based on the experiences with the first compendium on business ethics, we have given a stronger emphasis on the introductory (background) paper of the compendium, providing students and teachers (new to the topic) an introduction that is relatively comprehensive and detailed, demarcating the sub-issues and debates on public sector ethics. Besides, it includes summaries in Portuguese of the English language articles.

# Acknowledgements

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**StatoilHydro**

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We hope the compendium will be a useful learning tool.

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Luanda and Bergen

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# Contents

# Introduction to Public Sector Ethics

By Inge Amundsen, Chr. Michelsen Institute

## *Public Sector Ethics*

There has been considerable scientific debate on how to make the public sector function in the best way, and in particular there has been a debate on the role of government, of regulatory institutions and of good governance in the developing world. With (great) power comes (great) responsibility, but how much and what form of state intervention (government regulation) is needed to achieve economic development, political accountability, poverty eradication and other objectives?

This debate has given a better understanding of the responsibilities of the public sector, and how it should interact and interface with (elected) governments, with citizens, civil society and foreign as well as domestic corporations and private business institutions. Besides, ethics and ethical principles can help people make better decisions, and help people evaluate the decisions of others (like public officials).

Much of this debate has focussed on "good governance", broadly speaking. Ethics has also been a part of this debate, in particular the discussion on professional ethics of civil servants, and to a lesser extent the professional and personal ethics of politicians and elected office holders. Although the ethics of the civil service will be the main focus of this compendium, we are also looking into the ethics of the political sphere.

Ethics has long been a controversial area of study in the professions of law, politics, philosophy, theology and public administration, and other study areas. Some practitioners, however, will dismiss any study or theory of ethics as not pertinent to their work, preferring instead to rely on laws, personnel manuals and job descriptions to define the limits of public sector responsibilities. That view now seems to be losing ground to the viewpoint that public administrators are no longer, if they ever were, expert technicians simply implementing the policy decisions of the policy makers. Rather, public administrators exercise substantial discretion (decision-making power) on their own, discretion that affects peoples' lives in direct, lasting, and sometimes profound ways. In addition, there can be reasons to question the legitimacy of the rules and the policy decisions that public administrators are implementing.

Administrators and bureaucrats cannot avoid making decisions, and in doing so they should attempt to make ethical decisions. Administrators have discretionary powers that go beyond the manuals, orders, job descriptions and legal framework of their position and duties, and professional ethics will have to come in as guidelines, in addition to the formal regulations. Administrators should therefore seek a broad and solid understanding of ethical theories and traditions, and look for methods for thinking about the ethical dimensions of their decision-making.

Much the same can be said of politics. Politics is even lesser regulated than the public administration (constitutions and "the people" are the regulators of politicians, with less influence the more autocratic the political system). At the same time, the formal and the discretionary powers of politicians are almost unlimited. The scientific debate has to a large degree been on how (or whether) the politicians and rulers can be made to rule

for the benefit of the people (the nation at large, economic and social benefits for all) or for themselves only or some special interest. Karl Marx, for instance, said that the government was nothing but the executive committee of the bourgeoisie (the economically ruling elite; the propertied classes), whereas liberal theories have been preoccupied with restricting the powers of the state (as seen for instance in the American Constitution).

Thus, for a period of time there was a "realist" school within political science that eschewed any moral component of decision-making as naïve, as a religious imposition or as plain hypocritical. Likewise in economics, the standard view has been on humans as a "*homo oeconomicus*", a rational man attempting to pursue his selfish interests, with little regard for ethics.

Many people still believe that ethics is too weak and too 'nice' to be of real importance in what is regarded as the tough, dirty and unprincipled world of politics. Ethics is sometimes viewed as ineffective and an embarrassment to those who want to get a proper understanding of what is going on. Ethics is also sometimes seen as negative (telling other people what they should not do), impractical (because it is backed only by conscience), and more likely to catch the believing innocent rather than the deliberate offenders.

Political realism or "power politics" encompasses a variety of theories and approaches, all of which share a belief that states (governments or ruling elites) are primarily motivated by the desire for economic power, privilege, and continuous rule (including military and territorial security), rather than ideals or ethics.

The era of power politics is passing, or at least it is being vigorously contested. Stoker argues that "viewing citizens as ethical actors is not the perspective of a hopeless idealist" (Stoker 1992:376). Ethics has re-entered political science and economics, albeit not without resistance. It seems clear that governance reform through ethics alone will be ineffective; ethical standard setting needs to be coupled with legal regulation and institutional reforms.

Ethical issues in political science tend to be complex, ranging from micro-level personal issues to national, comparative and international relations. In politics, issues such as public vs. private interests, conflicts of interest, power abuse, and corruption have special salience. However, to prevent misconduct is as complex as the phenomenon of misconduct itself.

This introduction will present three main topics. First, it will outline the basis and basics of ethics, secondly it will outline the "infrastructure" of ethics (what shapes the ethics of individuals) and thirdly it will outline two particular themes; the discussion on conflict of interests and corruption.

## What is Ethics?

Ethics refers to principles by which to evaluate behaviour as right or wrong, good or bad. Ethics refers to well based standards of right and wrong, and prescribe what humans ought to do. Ethics are continuous efforts of striving to ensure that people, and the institutions they shape, live up to the standards that are reasonable and solidly based.

It is useful to distinguish between normative and descriptive ethics; normative ethics describes the standards for the rightness and wrongness of acts, whereas

descriptive ethics is an empirical investigation of people's moral beliefs.[1] This introduction is for the most part concerned with normative ethics.

The law is one basic promoter of ethic behaviour. The law, however, only set a minimum standard for ethical conduct. Just because an act is legal, does not automatically mean it is ethical (think of the apartheid laws, for instance). Nor is an illegal act necessarily immoral (sometimes it can be justified to break the law).

Hausmann and McPherson argue that there are at least four specific reasons why economists should care about moral questions. First, the morality of economic agents influences their behaviour and hence influences economic outcomes (and the economists' own moral views may influence the morality and the behaviour of others). Second, in order to assess and develop welfare economics (which rests on strong and debateable moral presuppositions) economists need to direct their attention to morality. Three, to understand how economics bears on policy require that one understand moral commitments. Four, positive and normative economics are frequently intermingled, and to understand the moral relevance of positive economics requires an understanding of the moral principles that determine this relevance (Hausman and McPherson 1993:673).

## Moral Philosophy

Traditionally, moral philosophy (also known as normative ethics and moral theory) is the study of what makes actions right and wrong. These theories offer an overarching moral principle to which one could appeal in resolving difficult moral decisions.

There are several strands of ethics, which differs on the basis (or rationale) for their various ethical considerations. The three best known normative theories are *virtue ethics*, *consequentialism* (in particular utilitarianism) and *deontological ethics* (and in particular Kantianism).

### Virtue Ethics

Virtue ethics focuses on the character of the agent rather than on the formal rules for or the consequences of actions. The key elements of virtue ethical thinking are based on the approaches to ethical thinking of the ancient and medieval periods. The roots of the Western tradition lie in the work of Plato and Aristotle, but virtues are important also in traditions of Chinese moral philosophy. Virtue theory returned to prominence in Western philosophical thought in the twentieth century, and is today one of the three dominant approaches to normative theories.

Virtue ethics includes an account of the purpose of human life, or the meaning of life. To Plato and Aristotle, the purpose was to live in harmony with others, and the four *Cardinal Virtues* were defined as prudence, justice, fortitude and temperance. The Greek idea of the virtues was later incorporated into Christian moral theology. Proponents of virtue theory sometimes argue that a central feature of a virtue is that it is *universally applicable.*

### Consequentialism

Consequentialism refers to those moral theories, which hold that the consequences of a particular action form the basis for any valid moral judgment about that action. Thus,

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[1] In other words, descriptive ethics would try to determine what proportion of people believe that killing is always wrong, while normative ethics is concerned to determine whether it is correct to hold such a belief.

from a consequentialist standpoint, a morally right action is one that produces a good outcome, or consequence.

*Utilitarianism* is a specific strand of consequentialist ethics. Utilitarianism is the idea that the moral worth of an action is solely determined by its contribution to overall utility, that is, its contribution to happiness or pleasure as summed up among all persons. The more happiness or pleasure for the more people, the better. It is consequentialist because the moral worth of an action is determined by its outcome, and that the ends justify the means. Utilitarianism can also be characterized as a quantitative and reductionist approach to ethics.[2]

Utility – the good to be maximized – has been defined by various thinkers as happiness or pleasure (versus sadness or pain). It has also been defined as the satisfaction of preferences. It may be described as a life stance with happiness or pleasure as ultimate importance. In general use of the term utilitarian often refers to a somewhat narrow economic or pragmatic viewpoint. However, philosophical utilitarianism is much broader than this; for example, some approaches to utilitarianism also consider non-humans (animals and plants) in addition to people.

**Deontological Ethics**
Deontological ethics has also been called "duty" or "obligation" based ethics. Deontologists believe that ethical rules "bind you to your duty", and they look at the rightness or wrongness of actions themselves, as opposed to the rightness or wrongness of the consequences of those actions. Deontological ethics looks at our fidelity to principle and disregards the consequences of a particular act, when determining its moral worth.

*Kantianism* (or Kantian ethical theory) is deontological, revolving entirely around duty rather than emotional feelings or end goals. The core concept is "duty", or what one ought to do in certain situations. Kantianism states that truly moral or ethical acts are not based on self-interest or the greatest utility, but on a sense of "duty" and a sense of what is right and fair on a wider level (despite the possible consequences for the individual and their usefulness for others).

Kantian theories are based on the work of the German philosopher Immanuel Kant (1724 – 1804), to whom the "categorical imperative" is a core element. Kant thought that human beings occupy a special place in the world, and that morality can be summed up in one, ultimate commandment of reason, or imperative, from which all duties and obligations derive. A categorical imperative denotes an absolute, unconditional requirement that exerts its authority in all circumstances, both required and justified as an end in itself.

Kant argued against utilitarianism and other moral philosophy of his day, because for example an utilitarian would say that murder is OK if it does maximize good for the greatest number of people; and he who is preoccupied with maximizing the positive outcome for himself would see murder as OK, or irrelevant. Therefore, Kant argued, these moral systems cannot persuade moral action or be regarded as basis for moral

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[2] Please note that utilitarianism also stresses that one should think about everyone and not just the one making the decision. As an example; our decision to cut down forests should also include in the analysis how that will affect the climate of our grandchildren.

judgments because they are based on subjective considerations. A deontological moral system was his alternative, a system based on the demands of the categorical imperative.

As an example of these categorical imperatives or duties, the philosopher W.D. Ross built upon Kant's theory and listed a few basic duties. One should: tell the truth; right the wrongs that one has done to others; act justly; help others in respect to virtue, intelligence, and happiness; improve oneself with respect to virtue and intelligence; give thanks; and avoid injury to others. In Kant's words; "Act so as to treat others as ends and not merely as means".[3]

## Modern Moral Philosophy

In the 20th century, moral theories have become more complex and are no longer concerned solely with rightness and wrongness, but are interested in many different kinds of moral status. W.D. Ross for instance, argues that moral theories cannot say in general whether an action is right or wrong, but only whether it tends to be right or wrong according to a certain kind of moral duty such as beneficence, fidelity, or justice. Other philosophers have questioned whether these principles or duties can be articulated at all at a theoretical level; some have moved away from the theories and principles of normative ethics towards descriptive morality and meta-ethics. Other philosophers are still defending moral theory on the grounds that it need not be perfect in order to capture important moral insight.

Modern moral philosophy is increasingly revolving around claims-based or rights-based ethics, which are ethical theories based on the fundamental principle of human rights and other rights or claims of the individual. *Rights-based theories* argue that people have a claim to certain freedoms and rights, like liberal theories which focus on people's claim to freedoms like the freedom of speech, association, religion, etc.

These modern theories are focussing on people's claim to rights like human rights, civil rights, political rights and social/economic rights. One example is the *Universal Declaration of Human Rights* of the United Nations. Another example of rights-based theories is "*welfareism*", which argues that people have a claim to a welfare state that can provide them with security, basic health services, education, jobs, housing, etc.

An important characteristic of claims-based ethics is that it implies that people have claims against somebody, and that this somebody consequently has some obligations. In other words, a person can only be said to have a meaningful claim to something (a service, freedom, or right) if others have an obligation *not* to act in ways that undermine the welfare, freedom or rights of anybody (the *negative* obligation – not to hurt others), and if others have an obligation to act positively to secure that certain

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[3] Take corruption as an example. Virtue ethics will consider corruption as a break of several categorical imperatives, including to avoid injury and to act justly, because corruption is to favour certain people. Likewise, deontological ethics (Kantianism) will look at your commitment to principle (and disregard the consequences of a particular act), and will argue that corruption involves deception and undermines the rational and moral capacity of those involved, and therefore deem corruption as unethical. Consequentialist theories like utilitarianism, however, may see corruption as ethical. Some observers have argued that corruption is to "grease the wheels" and can make bureaucracies work more efficiently (which is useful to most people). Although this argument is rarely seen today (the immediate efficiency gain is ruined by the long-term damage made to the administrative system), the argument can exemplify a perspective from which corruption can be seen as ethical.

peoples' rightful claims are met (the *positive* obligation – to provide what others can rightfully claim, for instance the welfare rights that impose on the state the duty to assist those who cannot provide for themselves).

Thus, for a person to have a legitimate and meaningful claim to something, others must face a corresponding obligation. Somebody's ethical rights or rightful claims therefore give other people ethical obligations or rightful *duties* and responsibilities. Rights are ultimately claims against others, and rights-claims generate correlative duties on the part of others. These others can be individuals, other members of society, various groups and usually – and increasingly so – the state.

There are four basic divisions of rights. *Natural* rights pertain to everybody by virtue of being a human being. Natural rights apply to all persons, like our right to life. Other people, organisations, governments and the international community has all a duty to secure everybody's natural rights. *Conventional* rights (or *legal* rights) generally apply within the context of social and political organizations. Conventional rights apply to all members of a group, like all citizens of a state which has constitutionally granted citizen rights, like for instance the right to free association.

## Why Public Sector Ethics?

The "others" that are the carriers of the duties and obligations to provide us with our legal and moral rights, freedoms and welfare are usually understood as the state or the *public sector*. The state is not only in the ethical theory of positive and conventional rights the foremost provider of rights and welfare, but the state is also the main provider of rights as understood by most people and in most circumstances. In other words, negative duties are an obligation for everybody, whereas positive obligations are the duty of some particular group or institution, usually the state.

The public sector or the state is the government with all its ministries, departments, services, central/provincial/local administrations, parastatal businesses and other institutions. The public sector is composed of two core elements; at the political level there are the political institutions where policies are formulated and the (major) decisions are made, and at the administrative level there is the public sector administration, which is in charge of implementing these policies and decisions. This implementing level is also called the civil service or state administration or bureaucracy. The distinction between politics and administration is not entirely clear, however, because the administration also have quite some discretionary powers.

Public sector activities range from delivering social security, administering urban planning and organising national defence to the provision of health, schools and roads. In principle, there is no limit to what the state can do. There is, however, much debate on how much the state should intervene, like in the economic sectors and in the private life of their citizens. This is a political question, and the debate about the role and the size of the state and the public sector (as opposed to the private sector) is probably the single most important dividing line in political philosophy, with the socialists preferring greater state involvement, libertarians favouring only minimal state involvement (security and property protection), whereas conservatives and liberals are favouring state involvement in some aspects of the society but not others.

Ethics is rarely a matter of concern in the ideology debate on the role of the state, but ethics is a natural concern in the discussion on the actual role of the politicians and

the state administration. No matter how big and what role the state is playing (and supposed to be playing), both politicians and civil servants have discretionary powers; they make decisions that affects a lot of people. Therefore, these decisions ought to be based on some form of ethics. For instance, the public (a nation's citizens) will normally expect the country's politicians and public servants to serve in the public interest, and to serve in a rational and efficient way. They will not want them to pursue narrow private, personal, or group interests.

Professional, public sector ethics of civil servants and politicians are somewhat different from the personal ethics of individuals. In addition to the personal ethical values and principles of individuals (like respect for others, honesty, equality, fairness, etc.), the professional public servant faces another context and an additional set of values and principles. Although the public sector is a labyrinth of agencies with different tasks, reporting lines, levels of responsibility and ethical cultures, we are looking for these "universal" or basic principles of public service.

There are also some differences between public sector ethics and private sector (business) ethics. The aim of the private corporation or business is, in general, to make money, whereas the public sector is meant to perform functions for the society as a whole, according to general and political priorities. For instance, a private company can choose to donate some of its profits to charity, but a public agency may be prohibited from such largesse with public funds (without a specific mandate to do so). The context is different, and the principles of operation between the public and business sectors differ.

According to Kinchin (2007), the ethics of public service is (should be) based on five basic virtues; fairness, transparency, responsibility, efficiency and no conflict of interest. There are, however, other principles in operation, and public servants face several dilemmas, for instance when the bureaucrats' private ethics collide with his professional public work ethics or organisational cultures.

## The "Different Worlds" of Ethical Principles

The debate of public sector ethics has tended to be on the one hand on the principles of ethical behaviour in public agencies, and on the ethical character of people in public administration (whether people and their acts are good or bad). On the other hand, the debate is shifting slowly towards the contextual or situational dimensions that make people behave more or less ethically, in particular in a professional setting like the public service. The context and the situational variables are essential and productive dimensions in the study of government ethics.

On the debate about the contextual dimension, we can distinguish between the general context (such as the prevalent ideology, the structure of hierarchy, existing control mechanisms and political culture), and the particular or specific context of each situation (like exact orders, assigned tasks, interpersonal relations, political issues and particular decisions). The context is the constellation of influences pressing upon the recognition (or non-recognition) of ethical principles in any specific decision-making; in other words context is the forces that condition moral priorities in the public service.

The ethical character of an individual may be unpredictable and tenuous, but a weak ethical basis of an individual can be overcome and his ethics become meaningful and directional, when a particular setting and structural pressures converge. There can, however, be a conflict between the belief system (ethical character) of the individual and

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the actions that the individual is ordered to take (the context pressure). For some, this may lead to profound frustration and cognitive dissonance. One example is when a public official, who believes in the standards of openness, fairness and accountable governance is being pushed into making decisions and serving people in blatant disregard of these principles. Others may perceive contextual ambiguity opportunistically, as possibilities to circumvent standards and to serve their own interests.

The contextual standards and principles can also be ambiguous and contradicting in themselves. Lofty principles can collide with mundane expectations, and high-flying political objectives can collide with implementation constraints. The ambiguity of public ethics is particularly apparent when values and obligations lodged within international conventions collide with national sovereignty and national political priorities, and when national politics collide with the socio-cultural norms of the local society.

Several examples can illustrate this conflict. Take for instance the employee of the Bangladeshi ministry of higher education, whose job was to distribute stipends and scholarships from foreign sources to the best applicants among local students. These stipends were a "commodity" in very short supply, which students and their families were willing to pay up large sums of money to obtain. The public servant at the ministry, however, was absolutely "clean"; he distributed the stipends according to merit by reviewing the exam papers and other credentials of the students, and accepted no bribes, to the satisfaction of the stipend providers and overseas universities. This came with a personal cost, because his salary was so meagre, he could only afford the rent of a single room, and he could not afford to marry. And more importantly, in the eyes of his family, he behaved shamefully unethically; his extended family had collected money for his education over years, but now he was a "wasted investment", he did not give the family anything in return. He was finally cut off from his own family, who looked upon him with disgrace.

A number of researchers have been looking at the moral stress facing civil servants who are living in two "different worlds". In particular, the theories of neo-patrimonial rule stress the conflict between the moral logics and expectations of clientelist rule; the patronage system of political patron-client relationships; informal procedure embedded in the state institutions; and the professional ethics of individual politicians and civil servants. One of the best-known studies is the book by Chabal & Daloz (1999),[4] which portrays state administrations in neo-patrimonial African states as serving an entirely different logic to the Western state model. It portrays neo-patrimonialism as a system that works, that works to maintain the power and the benefits of the elite, however antithetical this system is to the public interest.

A very basic interpretation of the different "modus operandi" of the public sector is its democratic content; neo-patrimonial and other illiberal political systems are serving the interests of the ruling elite rather than the interests of the general public. At the same time, democratising and democratic regimes can also have intrinsic inconsistencies; some principles are more basic (over-arching) than others, and some principles may be more known, pronounced and emphasized than others.

No matter how manifold the politics of the day can be and how fluid the political cultures can be; the ethical standards of the public sector can be said to be at different

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[4] Patrick Chabal and Jean-Pascal Deloz (1999): *Africa Works. Disorder as Political Instrument.* James Currey, Oxford.

levels of principle and practicality. On the top of the principle hierarchy are some ethical imperatives, founded in religion or in human rights. Secondly, for the public sector, there are the internationally accepted principles for democratic and accountable governance. Thirdly, in the particular setting of public administration, there are the situational and contextual rules, principles and regulations for the behaviour of public servants and agency-internal standards.

## *The "Infrastructure" of Public Sector Ethics*

The combination of ethical standard setting, legal regulation and institutional reform has been called "the ethics infrastructure" or "ethics regime" or "integrity system". Each part is a source of public sector ethics; in other words public sector ethics emanates from several different sources. These sources range from the private ethical character of the individual public servant, via the agency-internal regulations and culture of the agency and national legislation, to international conventions with written standards and codes of conduct. The most efficient ethics regime is when these three sources work in the same direction, in parallel. We will look at each of these sources of ethical conduct in the reverse order.

## International Norms and International Legislation

A large number of international agencies have developed Codes of Ethics or Codes of Conduct for their employees and for public servants in general. Some have also made Codes of Conduct for politicians and elected power-holders. These ethical standards can be important sources of national legislation and regulation, when properly implemented into the national ethics regime. Most of the international standards are based on the Weberian bureaucratic principles of legitimacy, rationality and meritocracy.

**Weberianism: Rationality and Meritocracy**
Historically, Max Weber was one of the first philosophers and political scientists to describe the principles of government authority and the bureaucracy. Weber was the first to explain the three aspects of government authority as charismatic, traditional, or legitimate (legal-rational) forms of authority, upon which political leadership, domination and authority can be based. Charismatic authority stems from idealism and religious sources (authority people believe in and accept because they are convinced about "the message"); traditional authority stems from patriarchy, patrimonialism, feudalism and other traditional authorities that people accept because of tradition; and the rational-legal authority stems from modern legal principles, which people accept because they are universal, rational and democratic. These three forms of authority are important to recognize also as sources of ethical standards.

Furthermore, it was Weber who began the studies of bureaucracy and whose works led to the popularization of the term. According to Weber, the classic, hierarchically organised civil service of the European type is only one ideal type of public administration and government, but by far the the most efficient and successful one. Although he did not like it particularly much himself, Weber outlines a description of the development of this bureaucracy that involves rationalization (a shift from a value-

oriented, traditional and charismatic organisation and to a goal-oriented and rule-based bureaucratic organization structured on a legal-rational authority).

According to Weber, the attributes of modern bureaucracy include its impersonality, concentration of the means of administration, and implementation of a system of authority that is practically indestructible. Weber's analysis of bureaucracy outlines the following seven principles of the bureaucratic organization;

1. Official business is conducted on a continuous basis
2. Official business is conducted with strict accordance to the following rules:
   A: The duty of each official to do certain types of work is delimited in terms of impersonal criteria
   B: The official is given the authority necessary to carry out his assigned functions
   C: The means of coercion at his disposal are strictly limited and conditions of their use strictly defined
3. Every official's responsibilities and authority are part of a vertical hierarchy of authority, with respective rights of supervision and appeal
4. Officials do not own the resources necessary for the performance of their assigned functions but are accountable for their use of these resources
5. Official and private business and income are strictly separated
6. Offices cannot be appropriated by their incumbents (inherited, sold, etc.)
7. Official business is conducted on the basis of written documents

Thus, according to Weber, a bureaucratic official is appointed to his or her position on the basis of merit and conduct, he exercises the authority delegated to him in accordance with impersonal rules, and his or her loyalty is enlisted on behalf of the faithful execution of his official duties. Furthermore, his appointment and job placement are dependent upon his or her technical qualifications, his administrative work is a full-time occupation, and a regular salary and prospects of advancement in a lifetime career reward his work.

An official must exercise his judgment and his skills, but his duty is to place these at the service of a higher authority, and therefore he is responsible only for the impartial execution of assigned tasks. Furthermore, he must sacrifice his or her personal judgment if it runs counter to his or her official duties.

Meritocracy is at the core of the modern bureaucratic system. Meritocracy is the principle wherein appointments are made and responsibilities are given based on demonstrated talent and ability (merit; usually education and acquired skills), rather than by wealth (plutocracy), family connections (nepotism), class privilege (nobility and oligarchy), friends (cronyism), or other historical determinants of social position and political power.

Although the Weberian approach to bureaucracy has been severely criticized and modernized, many aspects of modern public administration go back to him, and the main principles of an efficient bureaucracy are still validated. The ideal bureaucracy characterized by impersonality, efficiency and rationality; published rules and codes of practice; decisions and actions based on regulations and recorded in writing; plus the elements of meritocracy and a strict separation of private interest from public office.

**Human Rights**
According to Article 1 of the United Nations Universal Declaration of Human Rights, "*All human beings are born free and equal in dignity and rights. They are endowed with*

*reason and conscience and should act towards one another in a spirit of brotherhood*".[5]
Human Rights refer to the basic rights and freedoms to which all humans are entitled.
Examples of rights and freedoms which have come to be commonly thought of as human
rights include civil and political rights, such as the right to life and liberty, freedom of
expression, and equality before the law; and social, cultural and economic rights,
including the right to participate in culture, the right to food, the right to work, and the
right to education.

"Human Rights" can be understood as a set of acknowledged principles of
international law (such as the prohibition of genocide), as well as a broader set of
endorsed values whose implications remain contested or ambiguous (the right to self-
determination, the right to culture, the rights of indigenous peoples, the right to
development). The field of human rights involves an evolving transnational project to
define an ethical baseline for the governance of human society.

The most common categorization of human rights is to split them into *civil and
political rights*, and *economic, social and cultural rights*. Civil and political rights are
enshrined in articles 3 to 21 of *the Universal Declaration of Human Rights* (UDHR) and
in the *International Covenant on Civil and Political Rights* (ICCPR), and include such
rights as physical integrity (right to life) and rights like procedural fairness (like
protection from arbitrary detention and torture), protection from discrimination (based on
gender, religion, race, sexual orientation etc.), as well as individual freedom of belief,
speech, association and political participation.

Economic, social and cultural rights are enshrined in articles 22 to 28 of the
*Universal Declaration of Human Rights* (UDHR) and in the *International Covenant on
Economic, Social and Cultural Rights* (ICESCR). The economic, social and cultural
rights include such rights as the right to public education, health care, social security, and
a minimum standard of living.

The civil and political rights are sometimes referred to as "negative rights"
because they permit or oblige inaction ("freedom from"), whereas the economic, social
and cultural rights are referred to as positive rights" because they oblige action ("right
to"). Positive rights typically oblige positive action from the state or the government.

. As modern moral philosophy is increasingly revolving around claims-based and
rights-based ethics, human rights come in as a most fundamental principle. When these
rights-based theories argue that people have a claim to certain freedoms and rights, and
that people have claims against somebody, it is important to identify what claims people
have and who has an obligation to secure these rights. As we have seen, a person can
only be said to have a meaningful claim to something (a service, freedom, or right) if all
others have an obligation *not* to act in ways that undermines this right, and if some others
have an obligation to act positively to secure that certain peoples' rightful claims are met.

Rights are ultimately claims against others, and rights-claims generate correlative
duties on the part of others. Natural rights apply to all persons, like our right to life, and
everybody else (other individuals, organisations, governments and the international
community) has a duty to secure these natural rights. Political and social rights apply to

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[5] Declaration of 1948, see www.un.org/events/humanrights/2007/udhr.shtml.

all citizens of a state, and the state has consequently the foremost duty to provide these rights.[6]

**Codes of Conduct and Codes of Ethics**
A code of conduct is a set of rules outlining the responsibilities of – or proper practices for – an individual or organization. Related concepts include codes of ethics and honour codes. One definition of a "Code of Conduct" is "principles, values, standards, or rules of behaviour that guide the decisions, procedures and systems of an organization in a way that (a) contributes to the welfare of its key stakeholders, and (b) respects the rights of all constituents affected by its operations."[7]

Several international and national agencies have developed Codes of Conduct or Codes of Ethics for their employees. This ethical standard setting is to a large extent based on Weberian principles. It can be an important guide to making decisions on complicated ethical issues, and they can provide the basis for an environment where citizens are aware of the basic standards of behaviour to be expected from public sector employees. International codes of conduct or codes of ethics can support national public sector statutes and criminal laws, and can add to the national legal framework.

One international standard is the *International Code of Conduct for Public Officials* adopted by the United Nations General Assembly in 1996.[8] However, the most renowned codes is the *Model Codes of Conduct for Public Officials* developed by the Council of Europe and adopted by the Member States in 2000.[9] These codes serve as a reference point and an ideal for many state administrations; they are intended to set a precedent for countries drafting their own mandatory codes of conduct. Many of the standards are similar to the United Nations Code of Conduct, but the Council of Europe text goes further into aspects of public service conduct linked to anti-corruption measures and policies.

The Council of Europe's Model Code applies to all public officials (meaning persons employed by a public authority), and every public official has the duty to take all necessary action to comply with the provisions of the code. The purpose of the code is to specify the standards of integrity and conduct to be observed by public officials, to help them meet those standards and to inform the public of the conduct it is entitled to expect of public officials.

The general principles of the code states (among other provisions) that the public official should carry out his or her duties in accordance with the law, and with those lawful instructions and ethical standards which relate to his or her functions, and that the public official should act in a politically neutral manner and should not attempt to

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[6] If the government of the country of which you are a citizen cannot secure your political rights, for instance the right of freedom against persecution for political opinions or religious beliefs, discrimination or torture, other governments (foreign countries) have consequently the duty of providing you with political asylum (according to the United Nations 1951 *Convention Relating to the Status of Refugees* and the 1967 *Protocol Relating to the Status of Refugees*).

[7] The International Federation of Accountants (2007): "International Good Practice Guidance, Defining and Developing an Effective Code of Conduct for Organizations".

[8] See www.un.org/documents/ga/res/51/a51r059.htm. See also the report "Implementation of the International Code of Conduct for Public Officials" by the UN Social and Economic Council, at https://www.unodc.org/pdf/crime/commissions/11comm/6add1e.pdf.

[9] See www.coe.int/t/dg1/greco/documents/Rec(2000)10_EN.pdf

frustrate the lawful policies, decisions or actions of the public authorities (article 4). Furthermore, the public official has the duty to serve loyally the lawfully constituted national, local or regional authority, and he/she is expected to be honest, impartial and efficient and to perform his or her duties to the best of his or her ability with skill, fairness and understanding, having regard only for the public interest and the relevant circumstances of the case (article 5).

The code also states that in the performance of his or her duties, the public official should not act arbitrarily to the detriment of any person, group or body and should have due regard for the rights, duties and proper interests of all others (article 6). In decision making the public official should act lawfully and exercise his or her discretionary powers impartially, taking into account only relevant matters (article 7).

Important is also article 8, which says that the public official should not allow his or her private interest to conflict with his or her public position. It is his or her responsibility to avoid such conflicts of interest, whether real, potential or apparent. The public official should never take undue advantage of his or her position for his or her private interest. Any conflict of interest is to be avoided (article 13).[10] The public official who occupies a position in which his personal or private interests are likely to be affected by his or her official duties should, as lawfully required, declare upon appointment and at regular intervals thereafter the nature and extent of those interests (article 14).[11]

The code furthermore speaks about the duty always to conduct himself or herself in a way that the public's confidence and trust in the integrity, impartiality and effectiveness of the public service are preserved and enhanced; that the public official is accountable to his or her immediate hierarchical superior unless otherwise prescribed by law, and that the public official has a duty to treat appropriately, with all necessary confidentiality, all information and documents acquired by him or her in the course of, or as a result of, his or her employment.

Another duty is that a public official who believes he or she is being required to act in a way which is unlawful, improper or unethical, which involves mal-administration, or which is otherwise inconsistent with this Code, should report the matter to the competent authorities (article 12).

Article 16 states that the public official should take care that none of his political activities or involvement on political or public debates impairs the confidence of the public in his ability to perform his duties impartially and loyally. In the exercise of his duties, the public official should not allow himself or herself to be used for partisan political purposes.

Article 18 states that the public official should not demand or accept gifts, favours, hospitality or any other benefit for himself or his or her family, close relatives and friends, or persons or organisations with whom he or she has or has had business or political relations. (This does not include conventional hospitality or minor gifts). If the

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[10] Conflict of interest is a situation in which the public official has a private interest that can influence, or appear to influence, the impartial and objective performance of his or her official duties. It includes any advantage to himself, to his family, close relatives, friends and persons or organisations with whom he has or has had business or political relations. For more on conflict of interest and how to prevent it, see "Managing Conflict of Interest in the Public Sector – A Toolkit" by the OECD (2003), which is available at www.olis.oecd.org/olis/2003doc.nsf/0/0fc741f6009c94b6c1256ddd005b2eff/$FILE/JT00153650.PDF.

[11] See the section below on *Conflict of Interest*

public official is offered an undue advantage he or she should take steps to protect himself (article 19); and the public official should not offer or give any advantage in any way connected with his position as a public official, unless lawfully authorised to do so (article 21).

Finally, article 23 states that in the exercise of his discretionary powers, the public official should ensure that on the one hand the staff, and on the other hand the public property, facilities, services and financial resources with which he is entrusted are managed and used effectively, efficiently and economically. They should not be used for private purposes except when permission is lawfully given.

## Democratic Standards

In addition to the international standards emanating from the Weberian bureaucracy model, international human rights and other international law and principles, and international model codes of conduct, a second source of public sector ethics is democratic standards and principles. Fleming and McNamee argue that to understand the conduct of individuals in a social context, one must consider the political dimension of policy and practice (Fleming and McNamee 2005:140).

Democratic principles are partly codified in the political human rights, and partly expressed as an ideal form of government. As such, the democratic standards are most relevant as an ethical basis for politicians and elected representatives, but they can also serve as a reference point for bureaucrats and public administrators. Besides, there are dilemmas in the administrative implementation of policies that are not determined by the democratic qualities of the government.

### Democratic Rule

Democracy is a form of government in which the people hold power under a free electoral system. In political theory as well as in political philosophy, democracy is seen as a utopian ideal – no country is fully democratic, but the democratic principles are worth striving for.

Even though there is no universally accepted definition of democracy, there are two principles that any definition of democracy includes. The first principle is that all members of the society have equal access to power, and the second that all members enjoy universally recognized freedoms and liberties. These freedoms and rights include the freedom of assembly, of association, of thought and religion, rule of law and equality before the law, as well as universal suffrage (the right to vote).

Although the "majority rule" is often described as a characteristic feature of democracy, democracy is not possible without the protection of the rights of the minority (basic human rights plus freedom from being abused by the "tyranny of the majority")[12].

An essential mechanism of liberal, representative democracy is competitive elections, i.e. regular elections that are free and fair both in terms of procedure (that the elections are held in a way that guarantees free and fair elections) and in substance (that the elections have a decisive impact on who is governing) Furthermore, freedom of political expression, freedom of speech and freedom of the press are essential so that citizens are informed and able to vote in their personal interests.

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[12] As an example, the majority has no right to disenfranchise the minority (by a simple majority vote).

**Political Accountability**

Accountability is a concept in political science and ethics with several meanings. It is often used synonymously with such concepts as responsibility, answerability, enforcement, blameworthiness, liability and other terms associated with the expectation of account-giving. As an aspect of governance, it has been central to discussions related to problems in both the public and private (business) worlds. Accountability is defined as "A is accountable to B when A is obliged to inform B about A's (past or future) actions and decisions, to justify them, and to suffer punishment in the case of eventual misconduct".[13]

Political accountability is the accountability of the government, civil servants and politicians to the public and to legislative bodies such as the national assembly, parliament, national audit office, and other agencies of control and oversight. Political accountability is usually divided into "horizontal accountability" and "vertical accountability". The institutions of "horizontal" accountability (of "checks and balances" or "separation of powers") are the Legislature (parliament/national assembly) and the Judiciary (a court of a final appeal like the Supreme or Constitutional Court), primarily, but also the various state institutions of oversight and control like special state agencies, ombudsmen, auditors and commissions. The institutions of "vertical accountability" are the institutions of popular participation, influence, voice and control, of which the political parties and elections are the first and foremost, followed by civil society organizations and the media.

Regarding the elected representatives (politicians), regular (and recall) elections are the ultimate mechanism of accountability. Elections can be used to revoke the office of an elected official. In-between elections, however, popular control is more limited. Citizens can organise and protest, use civil society organisations, the media and complaints mechanisms, but the government or individual politicians will not necessarily have to listen, or to leave office.

Therefore, the checks and balances instituted in the horizontal accountability mechanisms become so important in-between elections. When voters don't have a direct way of holding elected representatives to account *during* the term for which they have been elected, the checks and balances established by the constitution in terms of separation of powers between the three branches of government are essential. This horizontal accountability includes the authority of the Legislature to promulgate the laws and the state budget, to ask for information and investigate any matter, and it includes the right of the Supreme Court to interpret and to check the legality of any law (judicial review).

Horizontal accountability is also the ability of these institutions to hold their own members and the other government bodies to account. The legislature can for instance hold an internal or independent inquiry, and it can impeach an individual (like a minister or a judge), remove him or suspend him from office for a period of time.

The accountability powers, procedures and sanctions vary from country to country. In parliamentary systems, the government relies on the support or parliament,

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[13] Schedler, Andreas (1999); "Conceptualizing Accountability" in Schedler, A.,; L. Diamond and M.F. Plattner: *The Self-Restraining State: Power and Accountability in New Democracies*. London: Lynne Rienner Publishers. pp. 13–28.

which gives parliament power to hold the government to account. For example, some parliaments can motion for a vote of no confidence in the government. In presidential systems, the president is usually elected on a separate ticket, his council (the cabinet or government) is not dependent on parliamentary approval, and he can dissolve the parliament and call for new elections.

Furthermore, the president and the parliament can establish other, specialised watchdog and oversight institutions, and bestow these with considerable independence, capacity and powers. We have for instance the Supreme Audit Institutions, the ombudsmen, the central bank, anit-corruption commissions and a number of other specialized institutions, given the political will of the day.   .

Regarding the non-elected government officials (the bureaucrats and administrators), the internal rules and norms, structures of authority, and some independent commissions are the main mechanisms to hold civil servants accountable. Within a department or a ministry, firstly, behaviour is bounded by rules and regulations; secondly, civil servants are subordinates in a hierarchy and accountable to superiors. Nonetheless, there are also independent "watchdog" units to scrutinize and hold departments accountable; legitimacy of these commissions is built upon their independence, as it avoids any conflicts of interest. Apart from internal checks, some "watchdog" units accept complaints from citizens, bridging government and society to hold civil servants accountable to their citizens.

Under pressures for decentralization and privatisation of government, services provided are nowadays more "customer-driven" and should aim to provide convenience and various choices to citizens. Within this perspective, there can be "competition" between public and private services providers, and ideally this can improve the quality of services. Outsourcing of services is one means to adopt public services to market mechanisms; the government can choose among a list of companies for service provision. Within the contracting period, government can hold the company accountable by rewriting contracts or by choosing another company. The standard of assessment for accountability is nevertheless the same; it is the "responsiveness of service providers to the "sovereign" customers.

Furthermore, a particular government agency or the government can be held accountable if voices from people (users, clients), interest groups or institutions are heard. These groups are outside of the public sector, but they represent citizens' interests in a particular constituency or field. Stoker argues that if politics articulates interpersonal standards of value and justification, and if political expression requires justifying one's views as good or right, then we must recognize these judgments as significant to political behaviour research (Stoker 1992:377).

**Transparency**
Transparency is openness of information. The concept of transparency can be defined as a principle that allows those affected by political and administrative decisions to know not only the basic facts and figures but also the principles, mechanisms and processes leading up to a decision. It is furthermore the duty of politicians, civil servants and managers to act visibly, predictably and understandably. Transparency is the principle of public access to information, accessible to all relevant stakeholders, in a timely and reliable way. Effective use of public revenues is strongly linked to accountability, which

in turn requires transparency of information. A country's citizens need to know about government revenues and expenditures, because this information can help them to exert pressure on their governments for better spending on key basic services such as health and education, for example. Thus, transparency is closely connected to accountability, as transparency is a prerequisite for accountable government.

As a principle of government and administration, transparency can also be seen as an ethical imperative, or a duty. It is a principle that politicians and bureaucrats should strive for. Increased access to information is a democratic ideal and a democratic virtue (although transparency can have some costs and drawbacks).[14] Increasing transparency opens up the decision making process to public debate, and moves the process towards more prudent and equitable management of public resources. For example, public disclosure of basic information regarding government revenues and expenditures (a proper budget process) can help citizens hold their governments accountable for the management and, ultimately, distribution of revenues.

On the national level, some countries have enacted specific regulations for fiscal transparency, and many developing and transitional countries have (to some degree) provided greater availability of budget information in recent years.

It has also been demonstrated how transparency in the education sector can contribute to limit corrupt practices and waste in the education sector. By providing information on educational funds to the sector and to each school, parents, pupils and teachers (as well as civil society organisations) have thus been able to "follow the money" and to ask for better education services. "Report Cards" in Bangladesh and publication of monthly grants to district schools in Uganda are some examples.

Transparency is also an international concern. There exist regulations for budget transparency on the international level, regulations and principles that should, ideally, apply to all sectors of the public services. For instance, the International Monetary Fund (IMF) has developed a *Code of Good Practices on Fiscal Transparency*[15], which provides a coherent framework to assess the transparency of public finances, to identify priorities for reform, and to monitor progress. The Code defines as important to have: clarity of roles and responsibilities in public finance; public availability of information; open budget preparation, execution and reporting; and independent assurances of integrity (external audit. The OECD has developed a *Best Practice on Budget Transparency* (2001) that also provides a benchmark for government performance.

Furthermore, there is a growing international focus on transparency. The 'Publish What You Pay' coalition was founded in 2002 to promote transparency in the extractive industries. It now has over 200 members in more than 33 countries. G8 governments committed to an action plan, 'Fighting Corruption and Improving Transparency', in 2002. The European Union (EU) encourages increased voluntary disclosure in its new Financial Services Action Plan (2004). The World Bank and the International Monetary Fund are also supporting ways to improve transparency in the extractives industries. In 2002, Tony Blair launched the Extractive Industries Transparency Initiative (EITI). It involves governments, companies, investors and civil society organisations. The approach relies

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[14] For instance, the financial costs of and time consumed in providing full transparency (access to information for all) can be higher than the practical use of the information (information overload); and a little transparency in a corrupt setting can reveal who is "up for sale".

[15] (in 1998, in the aftermath of the collapse of the Asian financial system in the late 1990s).

on the governments of 'host' countries (where the extraction is taking place) to take the lead and to publish all revenues they receive from companies. Where these host governments are willing to act, the EITI can bring important progress. However, it will take a long time to cover all host countries in this way. More importantly, it will not work for countries where the government does not engage, even though it is likely that it is in these countries that reform is most needed.[16]

**Fairness**
Fairness is another duty or ethical obligation of democratic rule and of the public sector. Fairness is justice, both in terms of equality for the law and in terms of distributive justice. However, Kinchin agrues that "fairness" is perhaps the most central, yet frustratingly vague principle of an effective public sector code of ethics, and that it is a difficult concept to define (Kinchin 2007:112).

Impartiality is a core concept of fairness; impartiality is a principle of justice holding that decisions should be based on objective criteria, rather than on the basis of bias, prejudice, or favouritism (preferring the benefit to one person or group over another person or group, for improper reasons like greed, political support or familiarity).

Justice is another core quality of fairness; both in terms of equality for the law and in terms of distributive justice. Equity is a similar concept that is based essentially on the idea of social justice and fairness; equity is the idea that all people have the same rights and the same access to resources. It refers to the fair distribution of goods, services or other treatment (Fleming and McNamee 2005:139). Equity strategies and policies are typically formed around given populations (e.g. groupings related to age, class, disability, ethnicity, gender) and are seen as socially and ethically desirable.

Some people would take this one step further, and have equality as an ideal; equality in terms of equality of outcome. This is a form of egalitarianism, which seeks to reduce or eliminate differences in material condition between individuals or households in a society. This usually means equalizing income and/or total wealth to a certain degree.

Many liberal democracies of the twenty-first century are characterised by socio-cultural diversity, and recognising this diversity is not only a democratic ideal, but also a key social goal of any organisation. Under the banner of fairness or equity, the organisation should not simply pursue it policies to achieve its aims, but should do so within a framework that treats individuals with fairness. Part of what comprises fair treatment will be the recognition of the contributions and needs of the different individuals. The extent to which there is constructive and purposeful forbearance of diversity (of all kinds) is captured in the notion of tolerance.

Hausmann and McPherson (1993) argue that justice or fairness should be understood in terms of treating the interests of different persons properly, and acting rightly will often involve avoiding harm to other individuals. And notions of harm and of interest are plainly connected to notions of human well-being (Hausmann and McPherson 1993:689).

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[16] See the enclosed chapter by Shaxson on "Global Witness" and the establishment of international pressure for transparency in the oil and diamonds industry. For facts about the initiatives, see their respective websites (Global Witness: www.globalwitness.org; EITI: www.eitransparency.org; Publish What You Pay: www.publishwhatyoupay.org; Transparency International: www.transparency.org

**Public Integrity**
Public integrity refers to the consistency of actions, values, methods, measures and principles of a public agency. Integrity may be seen as the quality of having a sense of honesty and truthfulness in regard to the motivations for one's actions. The term corruption is often used as the antonym of integrity. The term hypocrisy is used to describe the situation when parts of a value system that is at odds with another, or that an outspoken value system (or explicit preferences) is not leading to congruent actions. Hypocrisy is the act of preaching a certain belief, but not holding or implementing these same virtues oneself.

Integrity is one of the most important and oft-cited of virtue terms; it is also perhaps the most puzzling. For example, while it is sometimes used virtually synonymously with 'moral,' we also at times distinguish acting morally from acting with integrity. Persons of integrity may in fact act immorally – though they would usually not know they are acting immorally. Thus one may acknowledge a person to have integrity even though that person may hold importantly mistaken moral views.

When used as a virtue term, 'integrity' refers to a quality of a person's character; however, there are other uses of the term. One may speak of the integrity of an ecosystem, a computerized database, a defence system, or a public agency. When it is applied to objects, integrity refers to the wholeness, intactness or purity of a thing; meanings that are sometimes carried over when it is applied to people.

Integrity is also attributed to various parts or aspects of a person's life. We speak of attributes such as professional, intellectual and artistic integrity. Philosophers have been particularly concerned to understand what it is for a person to exhibit integrity throughout life. What is it to be a person of integrity? Ordinary discourse about integrity involves two fundamental intuitions: first, that integrity is primarily a formal relation one has to oneself, or between parts or aspects of one's self; and second, that integrity is connected in an important way to acting morally, in other words, there are some substantive or normative constraints on what it is to act with integrity.

Most accounts of integrity tend to focus on integrity as the integration of self and the maintenance of identity, integrity as standing for something, integrity as moral purpose, and integrity as a virtue. Even where the social and political dimensions of integrity are discussed, integrity is often seen as largely a private or personal affair – albeit one with important implications in the public sphere. Less attention has been given to ways in which political and administrative structures and processes may affect personal integrity. They can do this either by promoting or undermining features essential to having or practicing integrity, or the opposite. Ideally the institutions – including forms of government and economic arrangements –should be structured in ways that promote integrity. Arguably, this is not the case, and why it may not be the case, and how to change it, is as much a problem for social and political philosophy, and ethics generally, as it is for philosophical psychology. Some social structures are of the wrong sort altogether for some individuals to be able to pursue personal integrity, and therefore questions about the moral nature of politics and administration need to be asked first, before questions about personal integrity and morality. This suggests that the very meaning of personal integrity depends upon general considerations about the nature of the society and polity, and upon what one's society is and should be.

Some researchers have explicitly linked personal integrity to political and social structures in a way that broadens the concept of integrity. Then, what kinds of society and what kinds of political and administrative systems are most conducive to personal integrity? If society is structured in such a way that it undermines people's attempt at either knowing or acting upon their commitments, values and desires, then such a structure is inimical to integrity.

Are political and social conditions in contemporary liberal democracies conducive both to acquiring the self-understanding necessary for integrity and, more generally, to the business of acting with integrity? Historically, one of the governing ideals of liberal democratic societies is to provide its citizens, not with the goods they desire, but with certain primary goods, such as freedom, and with political/social/cultural structures (laws, codes, institutions, practices, and so on) that facilitate their capacity to obtain goods they desire for themselves.

Any attempt to strive for integrity has to take account of the effect of social and political context. The kind of society which is likely to be more conducive to integrity is one which enables people to develop and make use of their capacity for critical reflection, one which does not force people to take up particular roles because of their sex or race or any other reason, and one which does not encourage individuals to betray each other, either to escape prison or to advance their career. Political and administrative structures can be both inimical and favourable to the development of integrity, sometimes both at once.

## Administrative Reforms

Administrative traditions can vary depending on a country's culture, but there are generally shared views as to how public servants should fulfil their duties – democratically with accountability; transparently with integrity; fairly, honestly and effectively. However, these values can come into conflict with other expectations. For example, family members and others may believe that they should be provided with jobs, with contracts or simply with government property (as noted for instance in the Bangladesh example above). Intense pressure can be brought to bear on a family member in public employment by the expectation that they will provide for various members of the extended family – even when pay levels are barely sufficient to meet the immediate personal needs of the public employee. On top of these pressures, situations arise where the right decision is not an easy one to make or when it is difficult to identify even where the ethical dilemma lies. This makes it essential for civil servants to observe standards that they know and understand, and on the basis of which they can make ethical decisions. Confidential advice should be available to them when they feel the need for it.

Most people would prefer to be – and to be seen to be – honest and respected for their personal integrity. This assertion is correct and provides the starting point for an ethics management system that has the potential to make serious inroads into ethical misconduct. Often, this misconduct can be as much the result of misunderstandings and misperceptions as of blatant illegality. In such an environment, working out what is right and wrong is usually very simple.

Today, both in developed countries and countries in transition, strains on the public service come from varied quarters. These include: Increasing privatisation and contracting out of traditional government functions; the delegation of responsibility,

including financial responsibility, within public service organizations; greater pressures for openness and more intensive media scrutiny of the public sector; a greater and growing intensity of lobbying by those anxious to capture government business; and an increased willingness on the part of the public to complain when the quality of public service is poor. All have contributed to an increased awareness of the need to take steps to bolster the ethical basis on which public service functions. On top of this, many transition countries have had to cope with the inheritance of demoralized and dysfunctional public sector cadres, frequently underpaid and even left unpaid to survive on whatever they can extract from the public for the services they have been providing.

In managing modern political civil service institutions, areas of responsibility and discretion have widened in many areas. Moreover, surveys in many countries have disclosed that the public's hostility towards government structures can run high. In developing and transitional countries, public agencies may suffer from a number of deficiencies, of which nepotism, clientelism and favouritism is among the more serious obstacles to rational administration. Family members and others may believe that they should be provided with jobs, with contracts or simply with government property, and intense pressure can be brought to bear on a family member in public employment by the expectation that they will provide for various members of the extended family – especially when pay levels are barely sufficient to meet the immediate personal needs of the public employee.

A study group within the OECD has suggested the following broad principles for ethical conduct within public administrations. According to the organization, countries can use these principles as a tool to be adapted to national conditions, and to find their own ways of arriving at an effective framework that suits their own circumstances. The principles are, of course, not sufficient in themselves, but are a means of integrating ethics management within the broader public management environment.[17]

1. Ethical standards for public service should be clear
Public servants need to know the basic principles and standards they are expected to apply to their work and where the boundaries of acceptable behaviour lie. A concise, well-publicized statement, such as a code of conduct, of core ethical standards and principles that guide public service, for example, in the form of a code of conduct, can accomplish this by creating a shared understanding across government and within the broader community.

2. Ethical standards should be reflected in the legal framework
The legal framework is the basis for communicating the minimum obligatory standards and principles of behaviour are for every public servant. Laws and regulations could state the fundamental values of public service and should provide the framework for guidance, investigation, disciplinary action and prosecution.

3. Ethical guidance should be available to public servants
Professional socialization should contribute to the development of the necessary judgement and skills to enable public servants to apply ethical principles in concrete

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[17] The following principles for public sector reform are taken from the document "Best practices in combating corruption" by the OSCE, 2004 (available at www.osce.org/item/13568.html).

circumstances. Training facilitates ethics awareness and can develop essential skills for ethical analysis and moral reasoning. Impartial advance can help create an environment in which public servants are more willing to confront and resolve ethical tensions and problems. Guidance and internal consultation mechanisms should be made available to help public servants apply basic ethical standards in the workplace.

4. Public servants should know their rights and obligations when exposing wrongdoing

Public servants need to know what their rights and obligations are in terms of exposing actual or suspected wrongdoing within the public service. These should include clear rules and procedures for officials to follow, and a formal chain of responsibility. Public servants also need to know what protection will be available to them in cases of exposing wrongdoing.

5. Political commitment to ethics should reinforce the ethical conduct of public servants

Political leaders are responsible for maintaining a high standard of propriety in the discharge of their official duties. Their commitment is demonstrated by example and by taking action that is only available at the political level; for instance, by creating legislative and institutional arrangements that reinforce ethical behaviour and create sanctions against wrongdoing; by providing adequate support and resources for ethics-related activities throughout government; and by avoiding the exploitation of ethics rules and laws for political purposes.

6. The decision-making process should be transparent and open to scrutiny

The public has a right to know how public institutions apply the power and resources entrusted to them. Public scrutiny should be facilitated by transparent and democratic processes, oversight by the legislature, and access to public information. Transparency should be further enhanced by measures such as disclosure systems and recognition of the role of an active and independent media.

7. There should be clear guidelines for interaction between the public and private sectors

Clear rules defining ethical standards should guide the behaviour of public servants in dealing with the private sector; for example, regarding public procurement, outsourcing or public employment conditions. Increasing interaction between the public and private sectors demands that more attention should be placed on public service values and requiring external partners to respect those same values.

8. Public service conditions and management of human resources should promote ethical conduct

Public service employment conditions, such as career prospects, personal development, adequate remuneration and human resource management policies should create an environment conducive to ethical behaviour. Using basic principles, such as merit, consistently in the daily process of recruitment and promotion helps operationalize integrity in public service.

9.   Adequate accountability mechanisms should be in place within the public service Public servants should be accountable for their actions to their superiors and, more broadly, to the public. Accountability should focus both on compliance with rules and ethical principles, and on achievement of results. Accountability mechanisms can be internal to an agency as well as government-wide, or can be provided by civil society. Mechanisms promoting accountability can be designed to provide adequate controls, while allowing for appropriately flexible management.

10. Appropriate procedures and sanctions should exist to deal with misconduct Mechanisms for the detection and independent investigation of wrongdoing such as corruption are a necessary part of an ethics infrastructure. It is necessary to have reliable procedures and resources for monitoring, reporting and investigating breaches of public service rules, as well as commensurate administrative or disciplinary sanctions to discourage misconduct. Managers should exercise appropriate judgement in using these mechanisms when actions need to be taken.

Three reforms stand out as particularly important in most situations; namely leadership, pay reform, recruitment and promotion (meritocracy). We have also added whistle blowing as an example of another useful tool (see the chapter on corruption below). None of these can stand alone, but they are all essential elements of any serious civil service reform.

**Leadership by Example**
One of the principles is that managers should demonstrate and promote ethical conduct. Larbi argues that Political commitment to ethics reform is a key requirement for the effectiveness of other elements of the ethics infrastructure (Larbi 2001). In a working environment in which appropriate incentives are provided, ethical behaviour has a direct impact on the daily practice of public service values and ethical standards. Such incentives can include adequate working conditions and effective performance assessment. Managers have an important role in this regard by providing consistent leadership and serving as role models in terms of ethics and conduct in their professional relationship with political leaders, citizens and other public servants.

Furthermore, management policies and practices should demonstrate an organization's commitment to ethical standards. It is not sufficient for governments to have only rule-based or compliance-based structures. Compliance systems alone can inadvertently encourage some public servants simply to function on the edge of misconduct, arguing that if they are not violating the law they are acting ethically. Government policy should not only delineate the minimal standards, below which a government official's actions will not be tolerated, but also facilitate ethical awareness and clearly articulate a set of public service values that employees should aspire to.

Leadership by senior officials should inspire respect. Without leadership from the top, any attempt to achieve major reforms in an environment of systemic corruption will be bound to fail. Personal leadership is vital, and a leader must be seen to not just be mouthing platitudes. However, just as laws alone will not suffice to achieve reform where corruption is systemic, so, too, is leadership not enough. Coalitions can be created to

support leadership, but there is a danger when they embrace interests whose pasts are questionable. Yet if only groups untainted by suspicion or past corruption problems are admitted to a coalition, they will number far too few. What is important is that coalition partners commit themselves to building a new future and, having made that commitment, that they be held to it.

**Pay Reform**
The pay levels are important as an incentive for civil service employees not to be corrupt or dishonest. Pay reforms are essential to provide suitable incentives. Reforming the wage structure to provide public sector employees with suitable pay and other benefits can be an important tool to change the incentive structure for public servants, but also to make remuneration more transparent, to eliminate underpay and to win more skilled personnel for the public sector.

The incentives for public servants to reject corruption and work efficiently are much higher if the system of remuneration is based on the principle of meritocracy. When wages and promotion clearly depend on public servants' respect for rules of conduct and on good performance, they will be less corrupt and more efficient in their job, and they will place placed more value on the job itself. Therefore, dismissal or demotion becomes a much more serious matter. This in turn, however, means that there have to be proper and effective disciplinary mechanisms. Pay reform is therefore just one of a variety of incentives that needs to be addressed, and it cannot stand alone.

If public servants are not paid a living wage, incentives to demand bribes are considerable. Pay reforms that create living wages for public servants can, therefore, potentially curb petty corruption and ensure more integrity in the civil service. Among the measures for creating incentives for corruption-free behaviour, so-called "social benefits" should also be included. For example, retired public servants should receive monthly allowances. Similarly, public servants, who are caught in *flagrant delit* – receiving bribes or other corrupt benefits – should automatically lose their social benefits.

Wage reforms can also try to make public sector wages competitive with private sector wages in order to attract more highly skilled employees. Better human capital increases the efficiency of the public sector and can induce better compliance with codes of conduct.

**Recruitment and Promotion**
No institution can be expected to perform with professionalism in the absence of qualified and motivated personnel. One of the most destructive features of corruption is when people are appointed to public service based on their connections rather than on their capabilities.

The institutional arrangements for selecting, recruiting, promoting and dismissing public servants are central to the proper functioning of the public sector and can best be provided through legislation. The right people have to be attracted to the right posts. This, in turn, means that the positions themselves need to be sufficiently attractive to qualified citizens and be a viable alternative to the private sector.

A public service whose members are appointed and promoted based on merit will be far less susceptible to corruption than one based predominantly on political and personal connections. In a meritocracy, staff advances on the basis of their performance

and they owe their positions, at least in part, to the public they serve. Where positions have been obtained through powerful connections, the loyalty is to the connection, not to the institution to which the person has been appointed. Frequently, the beneficiary of such an appointment will look to his or her patron to protect them if they encounter any difficulties. Appointees of political parties can pose particularly difficult problems for managers who may be less well-connected.

A merit-based public service presents numerous advantages. First, candidates are judged against verifiable criteria that can be checked if breaches are suspected. Second, office holders have an incentive to perform well. Politicising the civil service leads to mediocre performance. When politicians have a direct impact upon the recruitment, promotion and dismissal or transfer of civil servants for reasons other than those based upon merit, professional discipline may be hard to enforce and performance incentives difficult to use since their appointment is short-termed. Third, politically appointed civil servants may be more inclined to break the rules in order to maximize their personal gains in the short time they expect to be in office. Four, civil servants owing their positions to their own capabilities as well as to clear and verifiable criteria, will feel accountable towards the state that employs them rather than towards the government of the day. Five, a merit-based public service avoids the relatively short-term nature of political appointments and the consequent loss of expertise with each change of government.

However, a purely merit-based civil service may have to be varied to accommodate affirmative action programs consistent with democratic practices. For example, such programs may ensure that minorities are fairly represented in the public service, and redress gender and geographical imbalances. Furthermore, a merit-based civil service is no guarantee against corruption. Prerequisites for corruption-free recruitment for public sector jobs include a predominantly merit-based recruitment and promotion program with objective and contestable criteria and with a clear career path; a minimization of political interference in both the action and the staffing of the public sector; a strict limitation of political appointments to certain high-level posts; suitable pay and other benefits to provide suitable incentives, and protection of public servants through internal rule of law mechanisms

**Whistle blowing**
Whistle blowing means calling attention to wrongdoing that is occurring within an organisation. There can be special arrangements like "hotlines" within the organisation or office, or a specially created inter-departmental hotline for certain issues, like smuggling or corruption, in order to facilitate whistle blowing. A whistle blower is sometimes called a "leaker", "informant" or "deep throat". There are four ways to blow the whistle:
- Reporting wrongdoing or a violation of the law to the proper authorities (such as a supervisor, a hotline or an Inspector General)
- Refusing to participate in workplace wrongdoing
- Testifying in a legal proceeding
- Leaking evidence of wrongdoing to the media

Of course, whistle blowing goes on in the private sector, but because government is supposed to be open and transparent, full disclosure of unethical or illegal behaviour in the public sphere is particularly important. Not all of the problems in the public sphere

are, however, generated within the government organization; outside vendors, contractors, and individuals can participate in and even breed for instance corruption, fraud and embezzlement.

Whistle blowing has to do with ethics because it represents a person's understanding, at a deep level, that an action his or her organization is taking is harmful; that it interferes with people's rights, is unfair, or detracts from the common good. Whistle blowing also calls upon the virtues, especially courage, as standing up for principles can be a punishing experience. Even though laws are supposed to protect whistle blowers from retaliation, people who feel threatened by the revelations can ostracize the whistle blower, marginalizing or even forcing him or her out of public office. On the other hand, there have been occasions when the role of whistle blower has earned respect and been catapulted into higher office.

There is a useful distinction between external and internal whistle blowing. The argument is that agencies and offices should encourage internal whistle blowing so that problems are solved within the organisation before employees feel they must go outside to get action.

Then there are suggestions about how to encourage internal whistle blowing in companies. Some of these measures include the establishment of an agency internal policy about reporting illegal or unethical practices (a policy which should be open, transparent, well published and include formal mechanisms for reporting violations), such as hotlines and mailboxes, clear communications about the process of voicing concerns, such as a specific chain of command, or the identification of a specific person to handle complaints. Then, there should be clear communications about bans on retaliation.

Furthermore, whistle blowing should get endorsement from the top (senior officials like the mayor, manager, council members, boards), who should state their commitment to the process. Elected and administrative leadership must encourage ethical behaviour and hold everyone within the organization to the highest standards, including the disclosure of activities that would have a negative impact on the public's business.

Lastly, there should be investigations and prompt following up on all allegations of misconduct. Report on these investigations to the council or board.

However, whistle blowers in the public sector often face the unique problem that their disclosure may constitute a crime. This can create an ethical dilemma when the ongoing misconduct is severe and there is no reasonable prospect that the abuse will end absent blowing the whistle.

If this process does not produce results, if wrongdoing is not being addressed within the organization, it may be time to move outside; to someone with authority over the agency, the legal system, or the press.

However, the potential leaker must assess the good and harm their leak may do. When lives are at stake or millions of public dollars are being misappropriated, those concerns for the public good trump the harm to personal privacy or government secrecy.

On the other hand, a leaker must determine if the conduct he or she is exposing represents actual wrongdoing or if it is simply represents a policy disagreement. Of course, much of the public's business should be debated in public, and speaking up about disagreements on most issues is not only acceptable but also desirable. Closed-door sessions, however, are secret for a reason. Revelations about a city's interest in a particular piece of property may boost the price of that parcel. Exposure of sensitive

information about a hiring or firing decision may needlessly cause harm to an individual. As much as council or board members' views may differ on these issues, they should remain secret if the problem does not rise to the level of misconduct.

## Conflict of Interest

A conflict of interest is a situation in which someone in a position of trust and responsibility, such as a politician, civil servant, executive or director of a corporation or a medical research scientist, lawyer or physician, has competing professional and personal interests. In other words, a conflict of interest arises when a public sector employee or official is influenced by personal considerations when carrying out his or her job. Such competing interests can make it difficult to fulfil his or her duties impartially.

Some of the most common forms of conflicts of interests include *self-dealing*, in which public and private interests collide, for example when a public official holds private business interests. It includes *outside employment*, in which the interests of the "private" job can contradict the job as a public servant. This is the *revolving door politics*, in which government workers or elected officials work for the companies they should regulate. It also includes *family interests*, for instance when a spouse, child, or other close relative is employed (or applies for employment) or where goods or services are purchased from such a relative or a firm controlled by a relative. Besides, it includes *gifts* from friends who also do business with the civil servant receiving the gifts.

A conflict of interest exists even if no unethical or improper act results from it. A conflict of interest can create an appearance of impropriety that can undermine confidence in the person, profession, or court system.

Conflicts of interest do apply to a range of professionals and office-holders. A conflict of interests arises when anyone has two duties which conflict. For example, an employee might have a duty to well and faithfully perform their work as purchasing manager, and might also have a familial duty to their sibling who happens to be tendering for the sale of widgets to the manager's employer. In this case the employee has a conflict of interests despite the fact that he is not a lawyer, doctor, politician, etc.

**Identifying Conflicts of Interest**

Most conflicts of interest are obvious: Public officials who award contracts to themselves, members of their family or to their friends or political patrons; public officials who personally hold – or whose close relations hold – shares in companies subject to their regulation, with which they are contracting or to which they are granting licences, etc. These conflicts require no explanation. They present circumstances that pose a threat to the public interest, however honest the official may claim to be.

Conflicts of interest situations cannot be avoided. It is inevitable that, from time to time, personal interests will come into conflict with work decisions or actions. For these to be identified from the outset is important if confusion and misunderstandings are to be avoided. The following checklist can help individual public servants identify situations where a conflict of interest is likely to arise:[18]

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[18] The checklist is taken from the document "Best practices in combating corruption" by the OSCE, 2004 (available at http://www.osce.org/item/13568.html).

- What would I think if the positions were reversed? If I were one of those applying for a job or a promotion and one of the decisionmakers was in the position I am in? Would I think the process was fair?
- Does a relative, a friend or an associate or do I stand to gain or lose financially from an organization's decision or action in this matter?
- Does a relative, a friend or an associate or do I stand to gain or lose my/our reputation because of the organization's decision or action?
- Have I contributed in a private capacity in any way to the matter being decided or acted upon?
- Have I received any benefit or hospitality from someone who stands to gain or lose from the organization's decision or action?
- Am I a member of any association, club or professional organization, or do I have particular ties and affiliations with organizations or individuals who stand to gain or lose from the organization's consideration of the matter?
- Could there be any personal benefits for me in the future that could cast doubt on my objectivity?
- If I do participate in assessment or decisionmaking, would I be worried if my colleagues and the public became aware of my association or connection with this organization?
- Would a fair and reasonable person perceive that I was influenced by personal interest in performing my public duty?
- Am I confident of my ability to act impartially and in the public interest?

**Managing and Preventing Conflict-of-Interest Situations**

When someone considers that they may have a conflict of interest, what should they do? The first step should be to place the potential conflict on the record and seek the guidance of a superior or an ethics adviser, if one is available. Clearly, some conflicts will be so minor as not to warrant anything more than the situation being recorded and made known to others who are participating in the decision-making process.

For example, an official might hold such a small number of shares in a company that their value could not possibly be affected significantly by the outcome of the particular matter under review. In such a case, the others involved may feel comfortable with the official's continued participation in the decisionmaking process. When they do not, however, the person should excuse himself or herself from further involvement.

The following checklist can be used to assess whether a disclosed conflict of interest might require other public officials to ask the person in question to stand aside:[19]

- Has all the relevant information been made available to ensure a proper assessment?
- What is the nature of the relationship or association that could give rise to the conflict?
- Is legal advice needed?
- Is the matter one of great public interest? Is it controversial?

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[19] The checklist is taken from the document "Best practices in combating corruption" by the OSCE, 2004 (available at http://www.osce.org/item/13568.html).

- Could the individual's involvement in this matter cast doubt on his or her integrity?
- Could the individual's involvement cast doubt on the organization's integrity?
- How would this individual's participation in the decision in question look to a member of the public or to one of the organization's potential contractors or suppliers?
- What is the best way to ensure impartiality and fairness and to protect the public interest?

Other strategies that an organization or government can adopt to avoid compromising, or appearing to compromise, its integrity include to keep full and accurate records of its decision-making processes; to ensure openness by making public accurate information about the organization's processes, decisions and actions; and to ensure that the final decision can be substantiated (especially when there is a risk of conflict of interest or a perceived conflict of interest).

**Clientelism, Favouritism, Nepotism**
Clientelism, broadly speaking, including various forms of favouritism (of which nepotism is a particular type), is representing a particular form of conflict of interest. Clientelism represents a situation in which a person (an elected official or an employed public servant) uses his or her public power to obtain a favour for a member of his or her family, for his or her ethnic or religious group, political party, friends or other interest to which he/she has an adherence.

Favouritism or cronyism is a mechanism of power abuse implying "privatisation" of and a biased distribution of state resources. Favouritism is to grant offices or benefits to friends and relatives, regardless of merit. Favouritism is quite simply the normal human proclivity to favour friends, family and anybody close and trusted.

In the political sphere, favouritism is the penchant of state officials and politicians, who have access to state resources and the power to decide upon the distribution of these, to give preferential treatment to certain people when distributing resources. The purpose is to sustain and prolong one's power, position and wealth. Clientelism is the rather common proclivity to favour one's kinship members (family, clan, tribe, ethnic, religious or regional group). In most non-democratic systems, the president has for instance the constitutional right to appoint all high-ranking positions. This easily ads up to several hundred positions within the ministries, the military and security apparatus, in parastatal and public companies and agencies, in the diplomatic corps and in the ruling party. This legal or customary right, of course, extends the possibilities for (and intensifies) all kinds of favouritism.

Nepotism is the special form of favouring family members (wife, brothers and sisters, children, nephews, cousins, in-laws etc.). It is a special form of favouritism, in which an office holder (ruler) with the right to make appointments prefers to nominate to prominent positions his proper kinfolk family. Many unrestricted presidents have tried to secure their (precarious) power position by nominating family members to key political, economic and military/security positions in the state apparatus. When "successful", deeply nepotistic systems are getting closer to a "mafia" because of the shared family "values" and loyalties.

Other kinds of favouritism is for instance when certain people are commissioned to buy privatised public property (cheaply), or given preferences, state guaranteed or subventioned loans, or selected as entrepreneurs for public works, nominated to represent corporate interests in various public councils and committees, and given other privileges through various economic policies. Through such mechanisms, many politicians and bureaucrats have been able to move from public position into private business, to transfer public power into private wealth. The kind(s) of favouritism that will be preferred in each instance is dependent on the political and strategic needs of the day, and on cultural and social patterns.

Favouritism is not only a legal and procedural problem, but also a problem of flawed qualifications, lacking skills and inefficiency. Furthermore, where public position is strongly correlated to possibilities of corrupt and extractive practices, favouritism can secure substantial prerogatives and profits for certain families, clans and social sub-groups. Nepotism can cause conflicts in loyalties within any organization, particularly when one relative is placed in direct supervision over another. Such situations should be avoided.

It is perhaps not surprising that by no means all countries have anti-nepotism laws, notwithstanding how desirable these may be. When these are lacking, favouritism shown to a relative tends to be dealt with by legal prohibitions. These include prohibitions against unwarranted privilege, direct or indirect personal financial interest that might reasonably be expected to impair objectivity and independence of judgement, or the appearance of impropriety.

Basic principles for dealing with favouritism and nepotism within the public sector are to safeguard and foster *meritocracy* (impartiality in all recruitment and selection processes); *competition* (for instance by ensuring that job vacancies are openly advertised and that the advertisements are framed to both adequately reflect the requirements of the job and to maximize the potential field of candidates, and that candidates are selected according to these criteria), openness (especially regarding recruitment and selection decisions), *integrity* (including clearly stated sanctions for non-compliance with established policies and practices and independent persons involved in the decisionmaking processes) and the possibility of *appeal* (so that unsuccessful, but qualified applicants, who consider that proper procedures have not been followed, should be able to appeal to an appropriate authority for an independent review of the process and its outcome).

**Gifts and Gratuities**

It is essential that there be clear rules and regulations as to what employees are entitled to receive in the course of their employment and how these gifts are to be recorded. In a private context, gifts are usually not requested and are meant to convey a feeling, such as gratitude, on behalf of the giver. There is no expectation of repayment. Gifts given in a purely private context are not the focus of this discussion.

However, gifts are also offered to individuals in the course of business relationships. Such gifts are usually given to create a feeling of obligation in the receiver. For a public official to corruptly receive a gift or benefit is a criminal offence in all countries.

How, then, is an official to distinguish between a gift and a bribe? A gift can be offered innocently in good faith or it can be an attempt to influence the official. The giver may have any number of motives, ranging from friendship, hospitality and gratitude to bribery and extortion. In a business context, gifts are rarely offered to an individual for purely charitable or hospitable reasons. This may be the case if the gift or benefit is of little or no commercial value, such as a memento or a trinket. However, in cases where the gift or benefit has more than a nominal value, it is possible that it was offered to create a sense of obligation and even an expectation that something will be given in return.

Feelings of obligation can arise with the acceptance of a free meal, tickets to a sporting event or discounts on commercial purchases. Once such a gift is accepted, a public official can be compromised. If the giver later requests favourable treatment, it can be difficult for the official to refuse. The giver may even threaten to allege that the official asked for the gift in the first place.

Individuals attempting to corrupt public officials often start with small inducements that appear to have no improper motive behind them. One way officials can become involved in corruption is by rationalizing their acceptance of a gift or benefit. Frequently used rationalizations include that everybody else does it, that the motivation of the giver is purely one of generosity, kindness or friendship; that the exchange of gifts and benefits harms no one; that gifts and benefits foster the development of beneficial business relationships (which encourage administrative efficiency by allowing red tape to be cut); that gifts and benefits are merely part of cultural rituals or practices (and consequently, to refuse may cause offence); and that public officials are not paid enough.

These arguments ignore the concept of public duty. As a public official, officials have a duty to ensure that government business is carried out with impartiality and integrity. If they accept gifts and benefits offered to them in the course of their work, they may feel a sense of obligation toward the person offering the gift or benefit. Feelings of obligation will undermine their impartiality and generally help undermine confidence in the public service.

Most *Codes of Conduct* states that employees should not accept a gift or benefit that is intended to, or is likely to, cause them to act with prejudice in favour of the giver in the course of their duties. If the gift or benefit is of more than nominal value, employees are expected to provide their supervisor with a note outlining the incident. The onus of deciding whether or not to accept a gift or benefit should not be on an individual employee. Rather, it is the responsibility of agencies to set limits and provide guidance on the types of gifts and benefits employees can receive. This can be achieved through developing gifts and benefits guidelines and policies.

**Assets and Income Disclosure**
In many parts of the world, it has been argued that one of the key instruments for maintaining integrity in the public service are *income declarations*, i.e. statements that indicate the assets and liabilities of all those in positions of influence as well as those of their immediate family members. The purpose of obtaining public officials' declarations is to identify what wealth is not fairly attributable to income, gift, or loan. It is a thesis that is winning support from international agencies. At the very least, such statements give the illusion of being a "corruption quick fix."

Some countries require senior officeholders to divest themselves of major investments, while others require the disclosure of incomes, investments and property prior to entering a public position and regularly thereafter. Although those who are taking bribes will not accurately complete the disclosure of assets and income, it is thought that the requirement that they formally record their financial positions lays an important building block for any subsequent control, either by the media or the legal system. It would, for example, preclude office holders from suggesting that any later wealth that had not been disclosed was, in fact, acquired legitimately.

Anticorruption activists, the media and the police can follow closely the development of effective and fair regimes for the monitoring of the incomes, assets and liabilities of senior public officials. If they can be made to work – and there are obvious difficulties – then they will serve as a valuable tool in restraining abuses of office.


## Corruption

 "*Corruption is one of the greatest challenges of the contemporary world. It undermines good government, fundamentally distorts public policy, leads to the misallocation of resources, harms the private sector and private sector development and particularly hurts the poor*".[20] Corruption is found almost everywhere, but it is stubbornly entrenched in the poor countries of Sub-Saharan Africa, it is widespread in Latin America, it is deep-rooted in many of the newly industrialised countries, and it is reaching alarming proportions in several post-communist countries.

Corruption has been the subject of a substantial amount of theorising and empirical research over the last 30 years, and this has produced a bewildering array of alternative explanations, typologies and remedies. However, as an extensively applied notion in both politics and social sciences, corruption is being used rather haphazardly. Corruption is understood as everything from the paying of bribes to civil servants in return for some favour and the theft of public purses, to a wide range of dubious economic and political practices in which politicians and bureaucrats enrich themselves and any abusive use of public power to a personal end. Besides, corruption is in itself a many-faceted phenomenon and the concept of corruption contains too many connotations to be analytically functional without a closer definition. The forms of corruption are diverse in terms of who are the actors, initiators and profiteers, how it is done, and to what extent it is practised. Also the causes and the consequences of corruption are complex and diverse, and have been sought in both individual ethics and civic cultures, in history and tradition, in the economic system, in the institutional arrangements, and in the political system.

The issue of corruption has to some extent entered the political and economic sciences from the new interest in the role of the state in the developing world, and in particular from the idea that the state is an indispensable instrument for economic development. In contrast to the largely rejected "state-dominated" and "state-less" development models, there is now much consensus on the relevance of an efficient medium-sized state in economic development. The 1997 World Development Report stated that "*an effective state is vital for the provision of the goods and services – and the*

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[20] Transparency International (1998); www.transparancy.de/mission.html.

*rules and institutions – that allow markets to flourish and people to lead healthier, happier lives. Without it, sustainable development, both economic and social is impossible*".[21]

Corruption has come up as a thematic constituent of this renewed paradigm, in which development necessitates economic reform, which is again dependent on political and administrative reforms like good governance and civil service reforms (CRS), accountability, human rights, multipartyism and democratisation. Besides, very high levels of corruption have been observed where the government is regarded as illegitimate in the eyes of the population (implying widespread disrespect for legal procedures), and in countries where the state plays an interventionist role in the economy. The role of the state and of politics is therefore essential to understand corruption.

The decisive role of the state is also reflected in most definitions of corruption. Corruption is conventionally understood, and referred to, as the private wealth-seeking behaviour of someone who represents the state and the public authority, or as the misuse of public goods by public officials for private ends. The working definition of the World Bank is that corruption is *the abuse of public power for private benefit*. In J.S. Nye's classical and most widely used definition, corruption is "*behaviour which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence*".[22] A somewhat updated version with the same elements is found in the definition by Mushtaq Khan, who defines it as "*behaviour that deviates from the formal rules of conduct governing the actions of someone in a position of public authority because of private-regarding motives such as wealth, power, or status*".[23]

In other words, corruption is a particular (and, one could say, perverted) state-society relation. On the one side is the state; i.e. the civil servants, functionaries, bureaucrats and politicians, anyone who holds a position of authority to allocate rights over (scarce) public resources in the name of the state or the government. Corruption is when these individuals are misusing the public power they are bestowed with for private benefit. The corrupt act is when this responsible person accepts money or some other form of reward, and then proceeds to misuse his official powers by returning undue favours. For instance, it is an act of corruption when a state official takes a bribe to render some public service that is supposed to be free of charge or demands more than the official cost of it.

On the other side of a corrupt act is nevertheless the "supply side", and some theories and conceptualisations exist that emphasise the "corrupters", those who offer the bribes, and the advantages they gain. These suppliers are the general public, or – in other words – the non-state society. The counterpart to the corrupt officials is any non-

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[21] The World Bank (1997): *World Development Report*, Washington, World Bank Press.

[22] Nye, J.S. (1967): "Corruption and political development" in American Political Science Review, vol. 61, no. 2, p. 417.

[23] Khan, Mushtaq H.: "A Typology of Corrupt Transactions in Developing Countries" in *IDS Bulletin*, vol.27, no.2, p.12.

governmental and non-public individual, corporate and organisational, domestic and external.[24]

The supply side focus has been taken even further. For instance, the influence of firms (private businesses, for instance major foreign companies and multinationals) on the state, and especially how they exert influence on and collude with public officials to extract advantages, has been called "state capture". Some firms in transition economies have been able to shape the rules of the game to their own advantage, at considerable social cost. In such a "capture economy", public officials and politicians privately sell a range of rent-generating advantages "a la carte" to individual firms. In extreme cases, powerful companies shape the legal rules and policies by providing illicit, non-transparent private gains to public officials and politicians, for instance by "buying" presidential and parliamentary decisions through cash or party financing. What they purchase are benefits like secure property rights, access to resources (concessions), monopolies and preferences, and removal of obstacles like taxes and environmental, health and security regulations.

It has been argued that in order to evaluate whether corruption is ethically acceptable or not, we need to use ethical arguments or ethical theory, which provide reasoned approaches to questions of right and wrong. A number of ethical theories or perspectives exist, advancing different criteria for evaluating whether an act or practice is acceptable or not.[25]

Two of the best-known sets of ethical theories are consequentialist theories, which evaluate acts or practices based on their consequences, and deontological theories, which evaluate acts or practices on the basis of their characteristics (see above). An example of a consequentialist theory is utilitarianism, which states that one should choose actions that maximize the sum of utility or happiness across all individuals. An example of a deontological theory is the Kantian perspective, which deems unethical actions that violate a set of principles called the categorical imperative.

The practice of corruption has been evaluated both from consequentialist and deontological perspectives. Some researchers have been using consequentialist reasoning to show that corruption is unethical. For instance, it has been argued that corruption leads to public contracts given to the firm that pays the highest bribes and not the firm that offers the best quality/price ratio (since public officials will choose projects that generate the highest private rents and not the highest social payoff). It has been argued that corruption draws skilled labour out of productive activity and into rent-seeking, further exacerbating inefficiencies in the allocation of resources. It has also been argued that corruption disproportionately affects the poor (in line with Transparency International's statement above). In sum, corruption has detrimental consequences and is hence deemed unethical from a consequentialist perspective.

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[24] Corruption also exists within and between private businesses, within nongovernmental organisations, and between individuals in their personal dealings, without any state agency or state official being involved. There is corruption also in the form of bribing, swindling, and mafia-methods within and between private businesses, there are treacherous individuals and disloyal employees also in private firms. This kind of corruption may even have repercussions into the political system as it destroys the public morale, and it may be symptomatic for the general economic and moral development of a society.
[25] Ivar Kolstad (2008): "Corruption as violation of distributed ethical obligations". Mimeo. October 2008, Bergen, Chr. Michelsen Institute.

Other researchers have provided arguments against corruption from a Kantian perspective. For instance, it has been argued that corruption violates the categorical imperative to "act only on maxims which you can will to be universal laws of nature", because corruption is an attempt to obtain special treatment. It has also been argued that corruption violates the categorical imperative to "always treat the humanity in a person as an end, and never as a means only", because corruption involves deception, and undermines the rational and moral capacity of those involved. This demonstrates the strong consensus on the subject of corruption, that corruption is ethically indefensible from the point of view of both consequentialist and deontological theories.

However, the arguments above do not allow us to conclude that corruption is always unethical. The problem is that the definitions above do not explicitly define "public office" or "entrusted power". Corruption is seen as abuse of any kind of public office or entrusted power, but this power is not necessarily democratic, legitimate or accountable. To pursue policies that benefits only a smaller group (the power-holders and their supporters, for instance) or to obey orders (not to deviate from the mandate of your administrative position) of an authority that pursues policies that benefits only a smaller group would not be ethical. [26]

Besides, in every corrupt act there is a benefit for both parties (although both parties are not gaining equally much). The benefit gained from being corrupt may be regarded as ethical by the benefactors, especially when the government is regarded as illegitimate. This is the common explanation (or excuse) of corrupt acts; "*If I don't take this bribe money, somebody else will (someone with even less right to it)*".

## Political corruption

In the definition shared by most political scientists, political corruption is any transaction between private and public sector actors through which collective goods are illegitimately converted into private-regarding payoffs.[27] This definition does not, however, distinguish clearly between political and bureaucratic corruption. It establishes the necessary involvement of the state and state agents in corruption, without any notion as to the level of authority where corruption takes place.

In a more strict definition, *political corruption involves political decisionmakers*. Political or *grand* corruption takes place at the high levels of the political system. It is when the politicians and state agents, who are entitled to make and enforce the laws in the name of the people, are themselves corrupt. Political corruption is when political decision-makers use the political power they are armed with, to sustain their power, status and wealth. Thus, political corruption can be distinguished from bureaucratic or *petty* corruption, which is corruption in the public administration, at the implementation end of politics.

Even when the distinction between political and bureaucratic corruption is rather ambiguous as it depends on the separation of politics from administration (which is unclear in most political systems), the distinction is important in analytical and in practical terms.

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[26] Ibid.

[27] Heidenheimer, Arnold J, Michael Johnston, & Victor T. LeVine (eds.): *Political Corruption. A Handbook*. New Brunswick/NJ, 1989 (third printing 1993), Transaction Pub.

Political corruption occurs at the top level of the state, and it has political repercussions. Political corruption not only leads to the misallocation of resources, but it also affects the manner in which decisions are made. Political corruption is the manipulation of the political institutions and the rules of procedure, and therefore it influences the institutions of government and the political system, and it frequently leads to institutional decay. Political corruption is therefore something *more* than a deviation from formal and written legal norms, from professional codes of ethics and court rulings. Political corruption is when laws and regulations are more or less systematically abused by the rulers, side-stepped, ignored, or even tailored to fit their interests.

There are two basic processes of political corruption; extraction and power preservation. Extractive political corruption is the methods by which ruling elites abuse their hold on power to extract and accumulate resources. It occurs when political power-holders enrich themselves, individually and collectively. Political leaders may use their power to capture and accumulate resources in an illegal and immoral way through bribes, embezzlement, and fraud. The same purpose of accumulation can be achieved also in processes of privatisation, land allocation, public contracting, lending, and through preferences that benefit the business interests of office holders, even when they are legal or made relatively legal.

Corruption used for power preservation purposes is the corrupt use of (public) resources for the purpose of power preservation and expansion. It occurs when political power-holders use extracted resources or other corrupt means to maintain or strengthen their hold on power. Incumbents can use many techniques to maintain power, of which many are perfectly legal while others are illegal and corrupt. The corrupt use of political power for power preservation and extension may take the form of buying political support through favouritism, clientelism, co-optation, patronage politics and vote buying. The means include the distribution of financial and material benefits (money, gifts and rents), but also symbolic values like status and "inclusion". The corrupt use of political power for power preservation and extension also includes the manipulation of various oversight and control institutions, creating various "impunity syndromes".

The two processes of political corruption - extraction for private benefit and enrichment, and the use of corrupt means for power preservation - are important analytical categories, especially when it comes to formulating counter-measures. Importantly, the two processes are often connected. Many of the larger political corruption scandals include both aspects: large-scale bribery schemes are concluded when the extracted money is used to buy political support, and the full circle is made when the purpose of power is wealth and the purpose of wealth is power.

**Controlling political corruption**
It can safely be argued that democratisation is the only long-term sustainable strategy available to eradicate systemic political corruption. Democratisation includes two basic processes: increased horizontal accountability (efficient and credible institutional checks and balances), and increased vertical accountability (deepened popular control through voice and participation).

Horizontal accountability is of particular importance in combating political corruption. This refers to the system of institutional checks and balances, of constitutional and institutional controls in-between elections. These include, among others, the

executive (government and state administrative agencies), the judiciary and the legislature, and the various special institutions of oversight and control like ombudsmen, investigators, attorneys and auditors. Most political systems include formal rules and procedures meant to restrain the exercise of political power and to safeguard human and political rights, but the formal establishment and existence of institutions of horizontal accountability does not in itself mean that they are efficient. In developing countries with embedded political corruption these institutions are particularly weak.

There are two basic institutions of checks and balances: the parliament and the judiciary. Both are pivotal for any meaningful, democratic control of political corruption, but at the same time they are in many countries an important part of the corruption problem. There basic approach to strengthening parliaments is to push for constitutional reforms that help to secure their autonomy. Parliamentary autonomy refers to its independence from the executive branch. It is its ability to carry out its mandate, to interact with and not be subjected to pressure from the presidency, and to play the vital democratic role of checks and balances. In practical terms, it is about constitutional guarantees, and autonomy in respect of personnel and finance. This is a long and cumbersome process, but should nevertheless be the ultimate aim of any engagement with parliamentary systems.

The basic approach to strengthening the judiciary is to push for constitutional reforms that help to secure their autonomy. A main aspect of this autonomy would be freedom to choose personnel (e.g. in many countries judges are nominated by the president) and financial security. One should also demand transparency, and justification for court decisions and actions (answerability). Even within presidential systems with little autonomy, the accountability function of courts can be strengthened through improvements in infrastructure (library, computers, and court records), court administration, education of judicial personnel and support staff, legal aid and literacy, and research assistance, in addition to reform of appointment procedures and budgetary autonomy.

In addition to strengthening the parliament and the judiciary (safeguarding the separation of powers), political corruption can be controlled by a number of other institutional and procedural measures. The list of possible measures is long; here are some examples from the anti-corruption literature;[28]

- Institution building
    - Parliamentary reform
    - Strengthen judicial institutions
    - Legal reform
    - Specialised anti-corruption agencies
    - Ombudsman
    - Auditors and audit institutions
    - Strengthen local governments
    - Free and fair elections
    - Political party finance regulations

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[28] The list is adapted from the UNODC (UN anticorruption office) 2002 *Corruption Fighter's Toolkit* (http://www.unodc.org//pdf/crime/toolkit/f1tof7.pdf), the TI 2001 *Corruption Fighter's Tool Kit* (http://www.transparency.org/tools/e_toolkit) and the OSCE 2004 *Best practices in combating corruption* (http://www.osce.org/item/13568.html).

- Preventive measures
    - Political openness and transparency
    - Assets disclosure
    - Monitoring public sector contracts
    - Conflict of interest regulations
    - Monitoring of financial assets and interests
    - Procurement regulations reform
    - Regulating licences and concessions
    - Formulating a national anti-corruption strategy
    - Free access to information
    - Regulating lobbying
    - Public awareness raising and empowerment
    - Election campaign regulations including monitoring media coverage and campaign contributions and expenses
    - Media training and investigative journalism
    - Joint government and civil society regulative bodies
- Enforcement
    - Financial investigations and monitoring of assets
    - Amnesty, immunity and mitigation of punishment
    - Standards to prevent and control the laundering of corruption proceeds
    - Extradition
    - Asset recovery

## Bureaucratic corruption

Whereas political corruption involves political decisionmakers and takes place at the high levels of the political system, *bureaucratic corruption* (or administrative corruption) takes place at the implementation end of politics. Bureaucratic corruption does not involve elected (or self-appointed) politicians, but it involves the employed staff of the state administration; the civil service, the ministries, and the service providers (including health and education, police and customs, transport and a number of other state agencies and services).[29]

**Controlling bureaucratic corruption**
Since bureaucratic corruption in most instances is based on a particular agreement or understanding between two individuals, a deal based a personal relationship of knowledge through family, clan, origin or the like, one of the institutional arrangements that can be set up to reduce corruption is to impersonalise the relationship between state officials and the public. All the mechanisms of the Weberian ideal bureaucracy therefore apply, like specialisation, hierarchical lines of authority, recruitment, promotion and pay according to seniority and merit. The control of corruption (bureaucratic and political) can well be seen as a part of the construction of the ethical standards, the legal regulation and the institutional reforms that creates the "the ethics infrastructure" or "integrity system".

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[29] These people will usually retain their job when there is a shift of government.

The list of possible measures and tools for curbing or restricting bureaucratic corruption is long; here are some (non-exhaustive) examples from the anti-corruption literature;[30]

- Institution building
    - Civil Service Reform
    - Codes and standards of conduct
- Preventive measures
    - Openness and transparency
    - Result oriented management
    - Using positive incentives to improve employee culture and motivation
    - Public complaints mechanisms
    - Formulating a national anti-corruption strategy
    - Citizen's Charters and Integrity Pacts
    - Awareness building through radio and television spots, awareness campaigns
    - Comprehensive ethics programme for small and medium-sized enterprises
- Enforcement
    - Guidelines for investigations
    - Electronic surveillance operations
    - Whistleblower protection
    - Mutual legal assistance
- Monitoring and evaluation
    - Service delivery surveys
    - National Integrity Studies/Country assessments
    - Mirror statistics as investigative and preventive tool
    - Measurable performance indicators in the judiciary

## Concluding Remarks

The above lists (of possible ways to curb political and administrative corruption), plus the outline of administrative reforms and how to manage conflicts of interest, demonstrates that there are many possible ways of setting ethical standards and of creating an "ethics infrastructure" or "ethics regime". The actual reforms that are necessary will depend on the kind of corruption problem in each country and the kind of deficiencies that exists in the integrity system of each country. There is no one measure that can fix it easily. The establishment of an efficient and working ethics infrastructure takes time.

Besides, each element is dependent on the others. Larbi argues from Ethiopia that "it is apparent that weaknesses in one part of the ethics infrastructure such as the parliament resonate in other parts such as the audit. Thus reformers need to be aware of the functional dependencies and organizational linkages among the various components of the ethics infrastructure. This calls for an integrated and coordinated approach to reforms" (Larbi 2001:261).

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[30] Please note that some of the measures listed under "controlling political corruption" may also be relevant for controlling bureaucratic corruption; the two are not mutually exclusive.

Central to the argument of much of the most recent discussion on ethics in the public sector is that it must be seen primarily in institutional and organisational terms. Individual ethics and ethical behaviour is largely a construct, dependent on the political environment and the cultural ethos of the public administration.

# Articles included

Daniel M. Hausmann and Michael S. McPherson
"Taking Ethics Seriously. Economics and Contemporary Moral Philosophy" in <u>Journal of Economic Literature</u>, vol. 31, June 1993, pp. 671-731

Scott Fleming and Mike McNamee
"The Ethics of Corporate Governance in Public Sector Organizations" in <u>Public Management Review</u>, vol.7, no.1, 2005, pp. 135-144

George Larbi
"Assessing infrastructure for managing ethics in the public sector in Ethiopia: challenges and lessons for reformers" in <u>International Review of Administrative Sciences</u>, vol. 67, vol. 2, 2001, pp. 251-262.

Niamh Kinchin
"More than writing on a wall: Evaluating the Role that Code of Ethics Play in Securing Accountability of Public Sector Decision-Makers" in <u>The Australian Journal of Public Administration</u>, vol. 66, no. 1, 2007, pp.112-120

Laura Stoker
"Interests and Ethics in Politics" in <u>The American Political Science Review</u>, vol. 86, no. 2, June 1992, pp. 369-380

Noel Preston
"Institutionalising Ethics in the Queensland Public Sector: Discussion of Research into Ethics Education for Public Officials" in <u>International Journal of Public Administration</u>, vol. 20, no. 7, 1997, pp.1317-1340

Akhil Gupta
"Blurred boundaries. The discourse of corruption, the culture of politics and the imagined state" in <u>American Ethnologist</u>, vol. 32, no. 2, 1995, pp. 375-402.

Nicholas Shaxson
"Global Witness: Hooligans and Rock Stars"; Chapter 11 in Shaxson, N.: *Poisoned Wells: the Dirty Politics of African Oil*. New York, 2007, Palgrave Macmillan

Christopher McMahon
"The Political Theory of Organizations and Business Ethics" in <u>Philosophy and Public Affairs</u>, vol. 24, no. 4, Autumn 1995, pp. 292-313

# Taking Ethics Seriously. Economics and Contemporary Moral Philosophy

Daniel M. Hausmann and Michael S. McPherson

*Abstract*
*Why should economists be interested in moral questions? In this article, the authors explore the connection between ethics and economics. They argue that economics, at least some parts of it, can benefit from studying moral philosophy. For instance, the morality of the economic agents is relevant; there are many contestable moral presuppositions in economics, and because economics may have an influence on public policy choices the moral commitment of economics should be clear.*

*In this review of recent work bordering the two disciplines of economics and moral philosophy, the authors explores areas of interdisciplinarity like game theory and social choice, morality and rationality, equality and well-being, and they discuss the applicability of moral reasoning in areas of public policy like affirmative action, environmental regulation and welfare measures.*

*They also argue that a clearer understanding of the moral perspectives that lie in the background of much of the economic analysis can help economists address the value-relevant aspects of their work. They argue that an economic science that is explicit and self-critical about its own moral rationale and argumentation will be more interesting and useful.*

# The Ethics of Corporate Governance in Public Sector Organizations

Scott Fleming and Mike McNamee

*Abstract*
*The current climate of increased accountability in public sector organizations has brought attention to the* ethical *dimension of corporate governance. This article presents a conceptually informed method for undertaking of an ethically focused audit corporate governance. The conceptual-theoretical terrain as set out in three dimensions: ethics as applied moral philosophy; equity as social justice; and corporate governance as the moral health of an organization. At an operational level, the conceptual model proposed provides a framework to evaluate the overall integrity of an organization and embraces the inter-related themes of individual responsibility, social equity and political responsibility. A method for ethical audits is also set out. It emphasizes the significance of key personnel in (re)producing and challenging the organizational ethos, while recognizing the necessary limitations placed on researchers' commitment to anonymity and confidentiality in the collection, interpretation and analysis of data, and in the eventual sharing of such data.*

# Assessing infrastructure for managing ethics in the public sector in Ethiopia: challenges and lessons for reformers

George Larbi

*Abstract*

*Can an ethics infrastructure be introduced as a reform? Ethics and anti-corruption reforms have become an integral part of civil service reform in Ethiopia. This is based on recognition by the government that reforms in the civil service may be undermined unless there are complementary investigative and preventive measures against corruption and other unethical practices.*

*The assessment of the existing ethics infrastructure has been a useful exercise to inform both the content and process of reforms. It has provided information on institutional constraints and capacity gaps on which reformers need to focus. These include broadening and sustaining support and commitment beyond the political leadership; strengthening the capacity of law enforcement agencies; improving accountability mechanisms; improving human resource management and performance; putting in place workable codes of ethics; improving public service conditions within affordable limits; and creating an enabling environment for civil society organizations to operate as countervailing forces for accountability by public officials.*

*It is apparent that weaknesses in one part of the ethics infrastructure such as the parliament resonate in other parts such as the audit. Thus reformers need to be aware of the functional dependencies and organizational linkages among the various components of the ethics infrastructure. This calls for an integrated and coordinated approach to reforms. The key challenge in the years ahead is ensuring effective management and implementation of the reforms. Informing and soliciting the views of key stakeholders is helping to build understanding and ownership for reform implementation, but continued political will and commitment, and external financial support and cooperation will be crucial for success. Implementation has to be managed; it should not be taken for granted.*

# More than writing on a wall: Evaluating the Role that Code of Ethics Play in Securing Accountability of Public Sector Decision-Makers

Niamh Kinchin

*Abstract*
*This article argues that the essential factors of a public service code of ethics can be divided into five categories. These categories or principles are fairness, transparency, responsibility, efficiency and conflict of interest. These principles are identified in this article as being the basic elements of democratic accountability in relation to public sector decision-making. The issues explored are not only the obstacles that the public service decision-maker faces in internalising these principles but, also, the challenges for a pro-active management in fostering such internalisation.*

# Interests and Ethics in Politics

Laura Stoker

*Abstract*

*Is man a homo oeconomicus, a rational man attempting to pursue his selfish interests? This article examines the place of self-interest in political life. It is based on a conception of politics that invokes ethics, a conception that portrays each citizen as an individual with unique hopes and desires who is at the same time joined with others in a shared social and political life. It sees in political diversity and controversy not just conflicting interests but also competing claims about what "we" (as unique individuals, linked to particular others through social roles and relationships, and together forming a single citizenry) ought to do or seek. Research that simply adopts a broad conception of utility or interest to admit non-selfish preferences or that employs typologies contrasting self-interested with non-self-interested motives will reveal neither the significance nor the limits of self-interest in politics. Rather, we must explore how citizens' interests are both championed and challenged by the understandings of "good" and "right" to which our politics gives voice.*

# Institutionalising Ethics in the Queensland Public Sector: Discussion of Research into Ethics Education for Public Officials

Noel Preston

*Abstract*

*Can ethics be "institutionalised"? This article argues that the essential factors of a public service code of ethics can be divided into five categories. These categories or principles are fairness, transparency, responsibility, efficiency and conflict of interest. These principles are identified in this article as being the basic elements of democratic accountability in relation to public sector decision-making. The issues explored are not only the obstacles that the public service decision-maker faces in internalising these principles but, also, the challenges for a pro-active management in fostering such internalisation.*

*This paper presents a case for a comprehensive approach to the institutionalisation of ethics in public sector organisational contexts. It argues that education and training have a central role in such strategies. The setting for this discussion is the State of Queensland, Australia, which is currently implementing a public sector ethics program. In particular, the author reports and analyses research conducted in Queensland in the latter half of 1993. The research explored the expectations of Queensland public sector managers as to the nature of ethics education programs. Analysis of the research supports the view that, with some reservations, public sector managers indicate significant support for the institutionalisation of public sector ethics in an educational framework.*

# Blurred boundaries. The discourse of corruption, the culture of politics and the imagined state

Akhil Gupta

*Abstract*
*Is a corruption-free, rational, meritocratic, democratic and Western state imaginable in a third world context like India? This article is an attempt to do an ethnography of the state by examining the discourses of corruption in contemporary India. The focus is on the practices of lower levels of the bureaucracy in a small north Indian town as well as on representations of the state in the mass media. Research on translocal institutions such as "the state" enables us to reflect on the limitations of participant-observation as a technique of fieldwork. The analysis leads me to question Eurocentric distinctions between state and civil society and offers a critique of the conceptualisation of "the state" as a monolithic and unitary entity.*

# Global Witness: Hooligans and Rock Stars

Nicholas Shaxson
Chapter 11 in *Poisoned Wells: the Dirty Politics of African Oil*. New York, 2007,
Palgrave Macmillan

*Abstract*
*In this book chapter, Shaxson describes the beginning of the international organisation* Global Witness *and the start of the international pressure for transparency in the business relations between corrupt governments, unscrupulous businesses, guerrilla leaders and Western governments. Global Witness wrote the reports* A Rough Trade *about the diamonds trade with UNITA in Angola, and* The Crude Awakening *about the oil business in Angola, which led to the establishment of the donor organisation* Extractive Industries Transparency Initiative (EITI) *and the international NGO* Publish What You Pay. *However, Shaxson also describes the difficulties in establishing an international pressure on corrupt regimes, international oil and diamonds companies, and their Western counterparts.*

# The Political Theory of Organizations and Business Ethics

Christopher McMahon

*Abstract*
*What justifies authority? In this article, the author argues that the classical political theory about the justification of the authority of states should be broadened to include non-governmental organizations and businesses, because these institutions also have managers who exercise authority. The article summarizes the political theory of organisations, and the author addresses the moral questions facing managers of organisations (including state agencies, NGOs and business organisations). Managers of profit-making firms (businesses) often favour the interest of the shareholders (owners) rather than the employees (workers), but in order to facilitate co-operation of the workers, their interests must also be taken into consideration.*

# Annexes

## *International Code of Conduct for Public Officials*

United Nations
General Assembly Resolution
A/RES/51/59, 82nd plenary meeting, 12 December 1996
Annex to resolution 51/59: Action against corruption

I.      GENERAL PRINCIPLES

1.      A public office, as defined by national law, is a position of trust, implying a duty to act in the public interest. Therefore, the ultimate loyalty of public officials shall be to the public interests of their country as expressed through the democratic institutions of government.

2.      Public officials shall ensure that they perform their duties and functions efficiently, effectively and with integrity, in accordance with laws or administrative policies. They shall at all times seek to ensure that public resources for which they are responsible are administered in the most effective and efficient manner.

3.      Public officials shall be attentive, fair and impartial in the performance of their functions and, in particular, in their relations with the public. They shall at no time afford any undue preferential treatment to any group or individual or improperly discriminate against any group or individual, or otherwise abuse the power and authority vested in them.

II.     CONFLICT OF INTEREST AND DISQUALIFICATION

4.      Public officials shall not use their official authority for the improper advancement of their own or their family's personal or financial interest. They shall not engage in any transaction, acquire any position or function or have any financial, commercial or other comparable interest that is incompatible with their office, functions and duties or the discharge thereof.

5.      Public officials, to the extent required by their position, shall, in accordance with laws or administrative policies, declare business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest. In situations of possible or perceived conflict of interest between the duties and private interests of public officials, they shall comply with the measures established to reduce or eliminate such conflict of interest.

6.      Public officials shall at no time improperly use public moneys, property, services or information that is acquired in the performance of, or as a result of, their official duties for activities not related to their official work.

7.      Public officials shall comply with measures established by law or by administrative policies in order that after leaving their official positions they will not take improper advantage of their previous office.

III.    DISCLOSURE OF ASSETS

8.      Public officials shall, in accord with their position and as permitted or required by law and administrative policies, comply with requirements to declare or to disclose personal assets and liabilities, as well as, if possible, those of their spouses and/or dependants.

IV.     ACCEPTANCE OF GIFTS OR OTHER FAVOURS

9.      Public officials shall not solicit or receive directly or indirectly any gift or other favour that may influence the exercise of their functions, the performance of their duties or their judgement.

V. CONFIDENTIAL INFORMATION

10.     Matters of a confidential nature in the possession of public officials shall be kept confidential unless national legislation, the performance of duty or the needs of justice strictly require otherwise. Such restrictions shall also apply after separation from service.

VI      POLITICAL ACTIVITY

11.     The political or other activity of public officials outside the scope of their office shall, in accordance with laws and administrative policies, not be such as to impair public confidence in the impartial performance of their functions and duties.

## *Model code of conduct for public officials*

Council of Europe
Committee of Ministers to Member states
Adopted by the Committee of Ministers at its 106th Session on 11 May 2000
Appendix to Recommendation No. R (2000) 10

Article 1
1.      This Code applies to all public officials.
2.      For the purpose of this Code "public official" means a person employed by a public authority.
3.      The provisions of this Code may also be applied to persons employed by private organisations performing public services.
4.      The provisions of this Code do not apply to publicly elected representatives, members of the government and holders of judicial office.

Article 2
1.      On the coming into effect of this Code, the public administration has a duty to inform public officials about its provisions.
2.      This Code shall form part of the provisions governing the employment of public officials from the moment they certify that they have been informed about it.
3.      Every public official has the duty to take all necessary action to comply with the provisions of this Code.

Article 3      Object of the Code
The purpose of this Code is to specify the standards of integrity and conduct to be observed by public officials, to help them meet those standards and to inform the public of the conduct it is entitled to expect of public officials.

General principles

Article 4
1.      The public official should carry out his or her duties in accordance with the law, and with those lawful instructions and ethical standards which relate to his or her functions.
2.      The public official should act in a politically neutral manner and should not attempt to frustrate the lawful policies, decisions or actions of the public authorities.

Article 5
1.      The public official has the duty to serve loyally the lawfully constituted national, local or regional authority.
2.      The public official is expected to be honest, impartial and efficient and to perform his or her duties to the best of his or her ability with skill, fairness and understanding, having regard only for the public interest and the relevant circumstances of the case.

3.       The public official should be courteous both in his or her relations with the citizens he or she serves, as well as in his or her relations with his or her superiors, colleagues and subordinate staff.

Article 6
In the performance of his or her duties, the public official should not act arbitrarily to the detriment of any person, group or body and should have due regard for the rights, duties and proper interests of all others.

Article 7
In decision making the public official should act lawfully and exercise his or her discretionary powers impartially, taking into account only relevant matters.

Article 8
1.       The public official should not allow his or her private interest to conflict with his or her public position. It is his or her responsibility to avoid such conflicts of interest, whether real, potential or apparent.
2.       The public official should never take undue advantage of his or her position for his or her private interest.

Article 9
The public official has a duty always to conduct himself or herself in a way that the public's confidence and trust in the integrity, impartiality and effectiveness of the public service are preserved and enhanced.

Article 10
The public official is accountable to his or her immediate hierarchical superior unless otherwise prescribed by law.

Article 11
Having due regard for the right of access to official information, the public official has a duty to treat appropriately, with all necessary confidentiality, all information and documents acquired by him or her in the course of, or as a result of, his or her employment.

Article 12       Reporting
1.       The public official who believes he or she is being required to act in a way which is  unlawful, improper or unethical, which involves maladministration, or which is otherwise inconsistent with this Code, should report the matter in accordance with the law.
2.       The public official should, in accordance with the law, report to the competent authorities if he or she becomes aware of breaches of this Code by other public officials.
3.       The public official who has reported any of the above in accordance with the law and believes that the response does not meet his or her concern may report the matter in writing to the relevant head of the public service.

4.      Where a matter cannot be resolved by the procedures and appeals set out in the legislation on the public service on a basis acceptable to the public official concerned, the public official should carry out the lawful instructions he or she has been given.

5.      The public official should report to the competent authorities any evidence, allegation or suspicion of unlawful or criminal activity relating to the public service coming to his or her knowledge in the course of, or arising from, his or her employment. The investigation of the reported facts shall be carried out by the competent authorities.

6.      The public administration should ensure that no prejudice is caused to a public official who reports any of the above on reasonable grounds and in good faith.

Article 13      Conflict of interest

1.      Conflict of interest arises from a situation in which the public official has a private interest which is such as to influence, or appear to influence, the impartial and objective performance of his or her official duties.

2.      The public official's private interest includes any advantage to himself or herself, to his or her family, close relatives, friends and persons or organisations with whom he or she has or has had business or political relations. It includes also any liability, whether financial or civil, relating thereto.

3.      Since the public official is usually the only person who knows whether he or she is in that situation, the public official has a personal responsibility to:
- be alert to any actual or potential conflict of interest;
- take steps to avoid such conflict;
- disclose to his or her supervisor any such conflict as soon as he or she becomes aware of it;
- comply with any final decision to withdraw from the situation or to divest himself or herself of the advantage causing the conflict.

4.      Whenever required to do so, the public official should declare whether or not he or she has a conflict of interest.

5.      Any conflict of interest declared by a candidate to the public service or to a new post in the public service should be resolved before appointment.

Article 14      Declaration of interests

The public official who occupies a position in which his or her personal or private interests are likely to be affected by his or her official duties should, as lawfully required, declare upon appointment, at regular intervals thereafter and whenever any changes occur the nature and extent of those interests.

Article 15      Incompatible outside interests

1.      The public official should not engage in any activity or transaction or acquire any position or function, whether paid or unpaid, that is incompatible with or detracts from the proper performance of his or her duties as a public official. Where it is not clear whether an activity is compatible, he or she should seek advice from his or her superior.

2.      Subject to the provisions of the law, the public official should be required to notify and seek the approval of his or her public service employer to carry out certain activities, whether paid or unpaid, or to accept certain positions or functions outside his or her public service employment.

3.     The public official should comply with any lawful requirement to declare membership of, or association with, organisations that could detract from his or her position or proper performance of his or her duties as a public official.

Article 16     Political or public activity
1.     Subject to respect for fundamental and constitutional rights, the public official should take care that none of his or her political activities or involvement on political or public debates impairs the confidence of the public and his or her employers in his or her ability to perform his or her duties impartially and loyally.
2.     In the exercise of his or her duties, the public official should not allow himself or herself to be used for partisan political purposes.
3.     The public official should comply with any restrictions on political activity lawfully imposed on certain categories of public officials by reason of their position or the nature of their duties.

Article 17     Protection of the public official's privacy
All necessary steps should be taken to ensure that the public official's privacy is appropriately respected; accordingly, declarations provided for in this Code are to be kept confidential unless otherwise provided for by law.

Article 18     Gifts
1.     The public official should not demand or accept gifts, favours, hospitality or any other benefit for himself or his or her family, close relatives and friends, or persons or organisations with whom he or she has or has had business or political relations which may influence or appear to influence the impartiality with which he or she carries out his or her duties or may be or appear to be a reward relating to his or her duties. This does not include conventional hospitality or minor gifts.
2.     Where the public official is in doubt whether he or she can accept a gift or hospitality, he or she should seek the advice of his or her superior.

Article 19     Reaction to improper offers
If the public official is offered an undue advantage he or she should take the following steps to protect himself or herself:
- refuse the undue advantage; there is no need to accept it for use as evidence;
- try to identify the person who made the offer;
- avoid lengthy contacts, but knowing the reason for the offer could be useful in evidence;
- if the gift cannot be refused or returned to the sender, it should be preserved, but handled as little as possible;
- obtain witnesses if possible, such as colleagues working nearby;
- prepare as soon as possible a written record of the attempt, preferably in an official notebook;
- report the attempt as soon as possible to his or her supervisor or directly to the appropriate law enforcement authority;
- continue to work normally, particularly on the matter in relation to which the undue advantage was offered.

Article 20   Susceptibility to influence by others

The public official should not allow himself or herself to be put, or appear to be put, in a position of obligation to return a favour to any person or body. Nor should his or her conduct in his or her official capacity or in his or her private life make him or her susceptible to the improper influence of others.

Article 21   Misuse of official position

1.   The public official should not offer or give any advantage in any way connected with his or her position as a public official, unless lawfully authorised to do so.

2.   The public official should not seek to influence for private purposes any person or body, including other public officials, by using his or her official position or by offering them personal advantages.

Article 22   Information held by public authorities

1.   Having regard to the framework provided by domestic law for access to information held by public authorities, a public official should only disclose information in accordance with the rules and requirements applying to the authority by which he or she is employed.

2.   The public official should take appropriate steps to protect the security and confidentiality of information for which he or she is responsible or of which he or she becomes aware.

3.   The public official should not seek access to information which it is inappropriate for him or her to have. The public official should not make improper use of information which he or she may acquire in the course of, or arising from, his or her employment.

4.   Equally the public official has a duty not to withhold official information that should properly be released and a duty not to provide information which he or she knows or has reasonable ground to believe is false or misleading.

Article 23   Public and official resources

In the exercise of his or her discretionary powers, the public official should ensure that on the one hand the staff, and on the other hand the public property, facilities, services and financial resources with which he or she is entrusted are managed and used effectively, efficiently and economically. They should not be used for private purposes except when permission is lawfully given.

Article 24   Integrity checking

1.   The public official who has responsibilities for recruitment, promotion or posting should ensure that appropriate checks on the integrity of the candidate are carried out as lawfully required.

2.   If the result of any such check makes him or her uncertain as to how to proceed, he or she should seek appropriate advice.

Article 25   Supervisory accountability

1.   The public official who supervises or manages other public officials should do so in accordance with the policies and purposes of the public authority for which he or she works. He or she should be answerable for acts or omissions by his or her staff which are

not consistent with those policies and purposes if he or she has not taken those reasonable steps required from a person in his or her position to prevent such acts or omissions.

2.      The public official who supervises or manages other public officials should take reasonable steps to prevent corruption by his or her staff in relation to his or her office. These steps may include emphasising and enforcing rules and regulations, providing appropriate education or training, being alert to signs of financial or other difficulties of his or her staff, and providing by his or her personal conduct an example of propriety and integrity.

## Article 26      Leaving the public service

1.      The public official should not take improper advantage of his or her public office to obtain the opportunity of employment outside the public service.

2.      The public official should not allow the prospect of other employment to create for him or her an actual, potential or apparent conflict of interest. He or she should immediately disclose to his or her supervisor any concrete offer of employment that could create a conflict of interest. He or she should also disclose to his or her superior his or her acceptance of any offer of employment.

3.      In accordance with the law, for an appropriate period of time, the former public official should not act for any person or body in respect of any matter on which he or she acted for, or advised, the public service and which would result in a particular benefit to that person or body.

4.      The former public official should not use or disclose confidential information acquired by him or her as a public official unless lawfully authorised to do so.

5.      The public official should comply with any lawful rules that apply to him or her regarding the acceptance of appointments on leaving the public service.

## Article 27      Dealing with former public officials

The public official should not give preferential treatment or privileged access to the public service to former public officials.

## Article 28      Observance of this Code and sanctions

1.      This Code is issued under the authority of the minister or of the head of the public service. The public official has a duty to conduct himself or herself in accordance with this Code and therefore to keep himself or herself informed of its provisions and any amendments. He or she should seek advice from an appropriate source when he or she is unsure of how to proceed.

2.      Subject to Article 2, paragraph 2, the provisions of this Code form part of the terms of employment of the public official. Breach of them may result in disciplinary action.

3.      The public official who negotiates terms of employment should include in them a provision to the effect that this Code is to be observed and forms part of such terms.

4.      The public official who supervises or manages other public officials has the responsibility to see that they observe this Code and to take or propose appropriate disciplinary action for breaches of it.

5.      The public administration will regularly review the provisions of this Code.