

RESTORE THE HEALTH OF YOUR ORGANIZATION

**A PRACTICAL GUIDE
TO CURING AND PREVENTING CORRUPTION
IN LOCAL GOVERNMENTS AND COMMUNITIES**



VOLUME 1
concepts and strategies
by Fred Fisher

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UN-HABITAT FOREWORD



Corruption has a profoundly corrosive effect on local governance and the quality of life in cities. When decisions are taken to serve private rather than public interests, they undermine the ability of local government to promote social and economic development and to protect the environment. As a result citizens of all walks of life, but especially the poor, suffer the consequences in terms of loss of quality of life and the ability to pursue sustainable livelihoods.

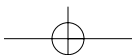
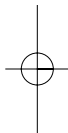
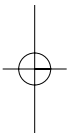
UN-HABITAT, as the focal agency for local authorities within the UN system, promotes a governance approach to combating corruption. Good urban governance is based on effective participation, transparency and accountability, and responsiveness to the needs and priorities of the majority of citizens. Lack of participation often means that the poor do not have a voice in determining their development priorities. Complex and non-accountable municipal administrative practices tend to increase citizen apathy leading to lower revenues and less spending on social programmes and basic services. Non-responsive allocation of resources can lead to disproportionate spending on the priorities of the better-off rather than on those of the poor. Non-transparent land allocation practices push the poor to the urban periphery and hazardous areas, depriving them of secure access to a major productive asset.

Concern for improved standards of governance, transparency, and accountability is now spreading across the globe. At the local level in many countries, citizens groups are holding their governments to account. But change can also start from within the local government. Using a medical metaphor, this "Practical Guide to Curing and Preventing Corruption in Local Governments and Communities" provides a wealth of suggestions on how to initiate such a process. It offers a hands-on capacity-building approach to restore the health of local governments, increase revenues and improve service delivery, reduce poverty and social exclusion, and uphold ethical standards and practices.

This Guide is the result of an initiative by Partners Foundation for Local Development (FPDL) supported by the Local Government Initiative Program (LGI) of the Open Society Institute and by UN-HABITAT. The Guide is a follow-up of the publication on "Tools to Promote Transparency in Local Governance", which was developed jointly by UN-HABITAT and Transparency International, under the umbrella of the Global Campaign on Urban Governance. The new Guide also complements the range of local governance training materials developed by our Training and Capacity Building Branch.

I hope this Guide will contribute to promoting good urban governance and to the realization of the Millennium Development Goals. We welcome your views on how to improve this Guide including lessons and experiences from the field.

Anna K. Tibaijuka
Under-Secretary-General and
Executive Director



FPDL FOREWORD

*Never doubt that a small group of thoughtful,
Committed citizens can change the world.
Indeed, it is the only thing that ever has.*

Margaret Mead
American anthropologist



The inspired words of Margaret Mead symbolize our hope that we can change the world for better, through our work as a Romanian NGO, together with our allies from LGI/OSI, UN-HABITAT, and our network of CEE/SEE trainers and training organizations.

How to make the change? FPDL, LGI/OSI and UN-HABITAT answer is the Regional Program "Working Together", an international program through which we identify the change agents, trainers and training organizations, and build their capacity to promote good governance and democratic leadership in their countries. The capacity building activities include Training of Trainers, Training Manuals and Methodologies Dissemination, Networking and Experience Exchange, and Support for National Programs Development.

"Restore the Health of Your Organization - a Practical Guide to curing and Preventing Corruption in Local Governments and Communities" continues the fruitful collaboration between FPDL, LGI/OSI and UN-HABITAT in developing and disseminating new training manuals. The book "Corrupt Cities - a practical guide to cure and prevent corruption", by Robert Klitgaard, Ronald Maclean-Abaroa, and H. Lindsey Parris, has been the guiding inspiration behind it.

Why the focus on local governments? While decentralization and the adoption of democratic self-governance processes at the local level have brought the promise of better governance, they have also spawned opportunities for decentralized corruption. When local governments ignore the need for transparency and accountability systems, they provide new temptations for the misuse of public offices for personal gain. In the transition period toward democracy, the implementation of new policies through sick institutions, and the weak enforcement of the new rules, increases the level of corruption. There is a huge need to fix the systems that breed corruption at local level and public leaders are expected to take the initiative to restore the health of their organizations.

Is this expectation a realistic one? Yes! And yet, we realize that this will not be easy. We know that corruption has always existed, since the beginning of humanity and human organizations. We also know that corruption exists in all countries; however, it tends to be more damaging in poor countries thus adding an additional challenge to local governments in these countries. Corruption undermines institutions, thwarts the rule of law, is a disincentive to investors, and results in inequitable distribution of wealth and power. We know that many anti-corruption campaigns around the world have failed because they either took an exclusively legalistic approach, relied mainly on appeals to morality, were pursued without commitment, or became corrupt by focusing mainly on imprisoning political opposition.

But our initiative is based on a significant dose of optimism because we know there are successful anti-corruption initiatives, at the level of organizations, cities, projects, ministries, or even entire countries, from which we can learn. If La Paz, New York, Hong Kong, or State College, have succeeded in transforming difficult corrupt situations into catalysts for administrative reforms, why should other cities and other public institutions not succeed also?

We also believe there are local public leaders and managers, who have the courage to name the illness of their organizations, recognize its symptoms, diagnose it, and make the necessary changes to treat it. The manual "Restore the Health of Your Organization" was developed for these courageous leaders as a source of inspiration and a practical guide to action.

This Practical Guide describes a strategic approach to curing and preventing corruption and provides a set of tools for local leaders to use in the planning and implementation of their plan of action. In addition to their commitment and courage to restore the health of their organization and community, they will know how to:

- Identify and treat, with priority, the most damaging and dangerous forms of corruption
- Change corrupt systems not (only) corrupt individuals
- Elaborate short, medium and long term objectives for their anti-corruption strategy
- Work with employees, as well as with the community members, in a participatory process, to collect and analyze data on corrupting practices, and identify curative actions
- Work with an external consultant, or facilitator, who would provide assistance in conducting the corruption-curing intervention.

We hope that those who have the power to make the necessary changes to restore the health of their local governments and communities will use this Practical Guide. And it should be no surprise that healthier local governments would be also more effective, efficient, and just organizations.

This Practical Guide is the result of a lot of hard work and commitment on the part of a small group of thoughtful committed citizens and I want to acknowledge and thank them all:

- Ronald MacLean Abaroa, one of the Corrupt Cities book author, former mayor of La Paz, Bolivia, founding member of Transparency International and its first president for Latin America, for inspiring and supporting our work
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Ana Vasilache

Executive Director - Partners Foundation for Local Development - FPDL

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CORRUPTION-IQ TEST

An Informal, Do-It-Yourself, Corruption-IQ Test for Local Government and Community Leaders

The following survey is to help you, as a local government or community leader, decide how best to use this set of materials. For each of the following statements, there are four choices to register whether you agree or disagree with the statement and how strongly. Please be as honest as possible as you think about these statements. (Denial is not an option!) Remember, the scores are just between you and your pencil

Scoring criteria: 1 = Strongly disagree
2 = Disagree
3 = Agree
4 = Strongly agree

When it comes to taking any kind of action about corruption in my local government and community I'm of the opinion that:	1	2	3	4
1 Corruption is everywhere, exists in all countries, even in the most developed ones. So, there is nothing our local government can do about something endemic!				
2 Corruption, like sin, is part of human nature; it always existed. There's nothing we can do about it!				
3 Corruption is a culturally determined and vague notion: what's seen as corruption in our culture might not be seen that way in other cultures. Even in the same culture, it is so difficult to distinguish between gift and bribe!				
4 Getting rid of corruption in our local government and community can be done only through a massive social change, based on a dramatic shift in people's attitudes and values. This effort exceeds our capacity, competencies and resources.				
5 Corruption isn't that harmful. It's just the "grease" for our political and economic systems that help them operate more smoothly, it is just the way of doing business				
6 There's nothing that local governments can do when corruption is systematic and the people at the top are corrupt				
7 Worrying about corruption in our local government and community would be a waste of time given everything else we need to do. Anyway, the free market and the democratic system will make corruption gradually disappear!				
8 Corruption in our local government and community doesn't exist at least to the extent that we should worry about it				
9 The costs of curing and preventing corruption in our local government and community would far out weigh the benefits				
10 Any effort to cure and prevent corruption in our local government could hurt a lot of innocent people so it's better to ignore it.				
ADD YOUR TOTAL SCORES				

How to Interpret Your Score and Decide what to do Next

NOW it's decision time—at least when it comes to deciding what you plan to do about restoring the health of your local government—and continuing to do something about using this Practical Guide. Let's look at what these scores mean in terms of your next step.

- **If you scored between 31 and 40 points** it's obvious that you will be tough to convince that anything can be done in your local government to cure and prevent corruption. Nevertheless, we have decided to take on the challenge of changing your mind.
At this point, you need to go to Part One of the Guide and put yourself in the shoes of an outsider who has been invited to listen in on a series of conversations by the elected officials of Shakedown City. We will join you at the end of this voyage experience to talk about what to do next. Enjoy the conversations.
- **If your score is between 11 and 30**, it's obvious that you are on the fence about how to handle corruption. For example, you might be thinking, "This corruption survey sure raised a lot of questions in my mind. Maybe we should try to do something about corruption in our local government."
While you're not exactly in the "tough to convince" crowd - when it comes to doing something to cure and prevent corruption in your local government—you might, nevertheless, find the discussion among the Shakedown City officials useful. We suggest you also take a few moments and listen in on their conversations in Part One of this Guide. Enjoy the dialogue, then proceed to Part Two.
- **If your score is 10** it's probably not worth your time to read Part One of this Guide—although we suspect you are curious about what's happening in Shakedown City. And, Part Two will be interesting but not essential in launching a campaign to cure and prevent corruption in your community. At this point, we suggest you skim through Part Two, proceed directly to Part Three and start planning your strategy to cure and prevent corruption in your local government—unless, of course, you are curious about those elected officials in Shakedown City, in which case it might be fun to go ahead and read it!



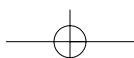
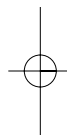
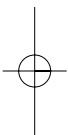
Most of the “excuses” we used to construct this Corruption-IQ Test were taken from another “practical guide to cure and prevent corruption” entitled *Corrupt Cities*. This book by Robert Klitgaard, Ronald Maclean-Abaroa, and H. Lindsey Parris has been the guiding inspiration behind this set of materials.

From time to time we will interject a note like this one to call your attention to something we think is important to keep in mind as you read and work with this Guide.

PART ONE

THE PARABLE OF SHAKEDOWN* CITY Starting a Dialogue about Corruption

*A slang term used to describe the act of obtaining money, goods or favors from others in a dishonest or illegal manner.



Take Heart

Before we get into the Parable of Shakedown City, we want to share some thoughts about why we think this story can be helpful to those of you who scored so high on the User Survey. It's not uncommon for many local government officials to give up on any possibility of addressing corruption in their organizations and communities. They feel hopeless and powerless. Over many years, corruption has seeped into every crack and crevice of their local government. As a result, it's become "business as usual". When corruption gets "institutionalized", it's impossible to get a construction permit without greasing the palms of a bunch of bureaucrats—or to go through a police checkpoint without paying bribes. Even the elected officials believe the only way they can get re-elected is to award juicy contracts to their friends. Over time everyone seems to have become a part of the problem ... in spite of all their efforts to remain above it all. Maybe you can relate to this sorry state of affairs as an elected or appointed official in local government—or as a community member who wants to help to clean up the mess.

It's also possible under these kinds of situations to retreat into a state of denial about corruption in local government institutions and communities. When this happens, one is inclined to say in a most authoritative, self-righteous voice: "Corruption in Shakedown City? Not on your life. This is a fine, law-abiding, principled place—how dare to suggest otherwise!" Sounds familiar?

Your high score on the Corruption-IQ Test suggests that you might be feeling the same way about corruption and your inability to do something about it in your local government. If this is the case, take heart! Adam Kahane, in an insightful book on public leadership, said:

“ *If you are not part of the problem, you can't be part of the solution ... if we cannot see how what we are doing or not doing is contributing to things being the way that they are, then logically we have no basis at all, zero leverage, for changing the way things are – except from the outside, by persuasion or force.*

We agree with Kahane. That's why we designed this Guide around the concepts and strategies of the medical community—and not the law enforcement and judicial professions. We believe it is possible to cure and prevent corruption in local governments and communities, even those that are addicted to corruption, if the local government leaders and employees, and citizens, have the will, skills, vision, and courage to do it.

Local governments that are addicted to corruption are like an alcoholic or someone addicted to drugs. It doesn't help to throw them in jail. They must first recognize they have a problem ... and then realize that they can do something about it with the help of those around them. This means that those local governments need to start dialogues and conversations within the organization and community—about their corruption problems, why they exist, what's causing them, and how they are destroying personal and work relationships within local government and the community.

In other words, local government officials and others need to stop making excuses about why they can't do anything about corruption. And, those excuses are precisely what the Corruption-IQ Test you just completed is all about. We have taken what is often considered the conventional wisdom about corruption and turned it into a questionnaire. Now, to get that score down, it will help to learn how those in Shakedown City started to deal with their excuses.



The Parable of Shakedown City, which you are about to experience, is designed to demonstrate how local government officials who have been part of a corrupt system can get beyond the excuses we've included in the Corruption-IQ Test and start to do something constructive to cure and prevent corruption. You will see how the officials of Shakedown City are ultimately able to step outside their experiences and start to think and talk about corruption in very different terms. Let's listen in on their conversations to see how they did it.

Getting a Wake-up Call in Shakedown City

Four of the seven elected councilors of Shakedown City decided to go for a drink following a council meeting where the annual budget was being considered. It had been a particularly ugly public session since either taxes will have to be raised or services cut.

As soon as the drinks were delivered, John spoke up, *"I don't know about the rest of you but I was shocked when the finance director informed us that we will be losing one of our biggest taxpayers."*

"Not me," Maria responded. "I was at the monthly meeting of the Chamber of Commerce when the President of Ajax Distribution Enterprises dropped his bombshell. Others at that meeting were equally shocked when they heard him say he was closing down his offices and warehouses—and moving it to another city."

When asked why, he said, *"I can't afford to continue to operate in Shakedown. Every time my employees go to city hall to get a permit of some kind, some clerk hassles them for a little 'grease' money. When they don't pay, it takes forever to get the permit. And the police have been stopping our trucks late at night as they return from a delivery run just to hassle them about some minor safety infraction. Of course, all they want are a few Euros. I've informed my drivers to pay up rather than risk a fine—but I'm sick and tired of all the hassles and corruption in Shakedown. Not to mention the hidden costs as a taxpayer. Yes, we're pulling out of Shakedown."*

"To my surprise," Maria continued, "another member of the Chamber added to this embarrassing outburst by telling another horror story. He said he had submitted a bid to the City Council several weeks ago to supply some meters to the Water Department and was informed by the Finance Department that the contract went to some company in the southern part of the country—even though the local bid was lower."

As Maria recalled, *"The vendor did a little investigating and discovered the firm getting the contract is owned by the Mayor's cousin. Then he said in disgust that this was just the tip of the iceberg when it comes to corruption and inefficiency in city hall. They're all a bunch of crooks," he exclaimed. He's also thinking about pulling his business out of Shakedown."*

Joe, who had long represented a part of town where there were lots of small businesses, spoke up, *"I think the President of Ajax is just blowing smoke. He's using this as an excuse to justify his move out of town. Oh, I suspect a little grease money passes hands once in a while between some of the city workers and business owners—but it's a way of getting things done faster when it's necessary. I don't think it's anything we should get involved in."*

"I disagree with you, Joe," Maria replied. "We can't afford to encourage corruption—and that's what I hear you saying."

“Sounds like you’ve led a sheltered life, Maria,” Joe retorted, “Hell, corruption is everywhere and there’s not much we can do about it. Even if we cleaned up the city, the kind of petty corruption you’re talking about would grow right back. It would be a waste of time to do anything about it.”

“Nevertheless, I’m going to talk to the Mayor about this. We can’t afford to lose Ajax.” And then Maria thought for a moment and hesitated, “The last time I mentioned such an incident to the Mayor, he told me they were just rumors and to keep my nose out of it. Frankly, I was insulted and angry by his threatening response.”

John said, *“Joe has a point, Maria.”* And then, he said somewhat hesitantly, *“I’ve paid my share of ‘grease’ money over the years—and this will look like I’m pointing the finger at myself—maybe all of us. On the other hand, we can’t afford to lose Ajax—or any other taxpaying business at this point in time. A lot of citizens are getting angry about the cost of government in this town—if we raise taxes again, they’ll run us all out of political office”.*

“Tell you what, Maria, the Mayor owes me a few favors, let me see if I can set up a meeting to talk about these issues.”

At that point, Alex stood up and shouted with indignation, *“I’m shocked at what you guys are inferring about our community—and particularly about our leadership! It’s foolish to even think that Shakedown City is corrupt and I’ll have nothing to do with this rubbish!”* He reached into his pocket, grabbed some loose change to pay for his drink, threw it on the table and walked out.



What we are witnessing in this bar scene is both a triggering event—and a wake up call. The *triggering event* occurred when Maria attended the Chamber of Commerce meeting and learned the city was about to lose a large tax paying business due to corruption in the local government. It was also a *wake-up call* when three of the city’s seven councilors compared notes and two of them, at least, realized they had a serious problem on their hands as city leaders. (Don’t worry about these terms—we’ll be exploring them in depth in Part Two of this series.)

More importantly, this opening episode also provides a glimpse of how others treat such information. Joe sees it as “business as usual”, while Alex appears to be in a state of denial about the possibility of corruption in **his city**. While there are many ways to come to terms with corruption in local governments, including denial, the challenge for those who aren’t in denial is to *seize the moment*. That’s what Maria and her colleagues did when they started to compare notes and realized they had been ignoring, in one way or another, their collective concerns about corruption. And, of course, you can too.

You need to step outside your individual mindset and experience—and have a dialogue about what you think is really happening in your local government and community regarding corruption.

The councilors in this scenario are beginning to do this—although they are arriving at the same conclusion in different stages of belief—and disbelief. There is also the option of denying that corruption exists—as Alex has done in our little parable.

Now let’s return to the unfolding drama in Shakedown City.

Coalition Building

A few days later, the three councilors—those who realized there was a problem in Shakedown City—met with the Mayor and brought up the issue. Surprisingly, he was willing to listen. *“For a change,”* Maria thought to herself. He quickly admitted the water meter deal had gone sour for the city. *“No reason not to, since everyone in town seemed to know about,”* the Mayor thought to himself.

He explained to his colleagues that his cousin reneged on the deal after the first shipment because the factory cut off his credit. Now the local bidder, who didn’t get the contract, is threatening a lawsuit. He said, *“If that happens, the voters will probably run me out of town.”*

“But,” the Mayor warned his colleagues *“Going after corruption in this town will be like trying to stuff a bunch of wild cats into a paper bag. It won’t be pretty! After all, everybody in Shakedown is probably guilty of a little corruption. They’ve either taken a bribe—or offered one—or worse. It’s just human nature.”*

He hesitated a bit and then said, *“I gotta admit—corruption seems to be getting out of hand. When I started my political career, and I admit that was a while ago, everyone seemed to know that a little grease money to one of the city inspectors, for example, was okay. After all, they never were paid what they’re worth—those tips just encouraged them to work a little faster. But I guess we’re all getting too greedy—including me—given my stupid decision on those water meters. And, you know what? I don’t even like my cousin.”*

“And, just between us,” the Mayor said, *“I’ve known about the Ajax move for a long time. And I know we can’t afford to start losing our tax base—but frankly, I don’t know how to tackle corruption in this town.”* And then the Mayor, in a moment of self-reflection, said quietly, *“You know—it could get really nasty—and personal.”*

“No question about it,” Maria said, *“if we don’t go about it the right way, we’ll all get in big trouble.”* And then, she went on to tell the Mayor and her elected colleagues about some approach to corruption that used a medical model—something about curing corruption rather than necessarily punishing those who had been involved—using different therapies from *urgent surgery* to more long term treatments in which doctors and patients collaborate.



In developing this script of political life in the fast lanes of Shakedown City, we have excluded the option of “frying a big fish” (termination and/or prosecution of top officials who are corrupt). In no way are we suggesting that punishment, sanctions, legal proceedings and other prosecutorial mechanisms are not important—or that they shouldn’t be used in your efforts to cure and prevent corruption in your local governments and communities. This obviously would be the wrong message in many contexts. Now back to the saga of Shakedown City.

“Sounds like a weird idea to me,” John replied, *“but we gotta do something before Ajax and a bunch of other businesses decide to move out of town. On the other hand, I don’t particularly want to be one of those guys thrown in jail for being part of the problem. How do we start this so-called medical approach? Call in a surgeon?”*

“Before we all get carried away in our enthusiasm to nail some unfortunate citizen for paying a little speed money,” Joe blurted out, *“I gotta warn you that we’re dealing with fire—and all of us are going to get burned.”*

Maria, ignoring Joe’s outburst, went on to explain what she had read about this new approach to corruption. She said, *“They recommended a couple of things that made sense—*

like putting together a small group of key individuals, what they called a guiding coalition. I guess they're some local folks—could be some key local officials—clean ones, of course, who could help us think through how we want to take on such a complicated task.”

“Who do you think would be crazy enough to do this?” Joe said. “I’m beginning to think Alex is right. We ought to just deny that corruption ever existed in Shakedown—and get on with our usual business as community leaders!”

The Mayor, ignoring Joe’s comments, piped up, *“This scheme you’re describing, Maria, sounds pretty complicated and time consuming—after all I gotta run this place—even if most of the citizens think it’s corrupt! You all know I’m a pretty darn good politician—but I don’t know anything about guiding coalitions, curing corruption, and all this other junk. Are you sure you’re not getting all of us in, over our heads, Maria?”*

“Oh, one more thing,” said Maria, looking straight at the Mayor, “the article suggested we might want to hire a consultant—someone with what they called ‘facilitation skills’—to help guide the city through the corruption curing and preventing process.”

“What the heck are facilitation skills?” the Mayor shouted at Maria. “Are you suggesting I don’t know how to—how to—did you say facilitate?”

She quickly said, *“Calm down, Mayor, I’ll look into it.”*

The Mayor and all the councilors met in a few days—and Maria was prepared. After all, she didn’t want to be pressed by the Mayor again. She had gotten ahold of a manual published by some non-profit organization in Romania that laid out a bunch of recommendations on how to go about curing and preventing corruption in local governments.

She went over the key points with the Mayor and her colleagues on the council. Maria spoke specifically about the importance of establishing a guiding coalition; being clear about their motivations; understanding the approach they were going to take to cure corruption in Shakedown City; the role of an outside facilitator—if the Mayor and others thought this made sense; and how difficult an effort like this can be.

After Maria was done, the Mayor said, *“Well, let’s get started. From what you said about this guiding coalition, I’d recommend we ask the Finance Director to work with us. I know he was pretty angry when I put the heat on him about the meter bid involving my cousin, but I gotta say—he’s smart and a straight shooter, sometimes too straight.”*

John spoke up, *“What about the director of the Chamber of Commerce? She’s relatively new—so hopefully she hasn’t been corrupted yet. And, she has the ear of the business community. When we open this can of worms, we’d better have these guys with us?”*

“And, I might add...the women business owners!” Maria retorted. “What about the President of Ajax—since he has first hand experience with this corruption business? Maybe we can convince him to keep his business in the city if this works out.”

Before the meeting broke up, they also talked about adding the editor of the local newspaper—knowing they were going to have to keep the public informed. They had some differences of opinion about involving anyone from the mass media. After all, there has been a lot of distrust over the years between the city council and the press.

Finally Joe said, *“It looks like you guys are really serious about this. Mind you, I think it’s going to get real ugly if we don’t go about it right. And we can sure expect the local paper to have a field day out of this. I can see the head lines now—City Fathers Decide to Wash Their Dirty Laundry—at that point we’ll all wish we had decided not to open this can of worms.”*

And then, Joe seemed to calm a bit in his opposition. *“I know the press has been a thorn in our sides from time to time—but I guess that’s the way it should be. We should probably get the editor involved so she’ll know what’s going on. If we don’t, we’ll hear about it...on the editorial page—no less!”* Others agreed.

As everyone was getting ready to leave, the Mayor said, *“Oh, by the way, I talked to the city attorney about the possibility of launching an effort to deal with corruption in the city’s government...off the record, of course.”*

“And just like I expected...she had all kinds of reasons why it could be legally problematic for all of us. But then she said, rather sarcastically, ‘I’ll enjoy defending you and the city for doing the right things for a change.’”

Then the Mayor turned to Maria and said, *“The more I think about the idea of curing and preventing corruption—rather than attacking it—the more I like it. After all, if we went after everybody who’s been greasing a few hands in this town, we’d have to build a new jail.”*

Shortly after this meeting, the Mayor contacted those persons they had discussed and somewhat to his surprise they all agreed to get involved. The group met several times, informally, just to talk about why they thought it was important to cure corruption in Shakedown City, what their approach should be, and the potential role of an external consultant to help the Mayor and others take on the challenge of curing corruption in Shakedown City.

They also discussed the challenge of mobilizing employees and citizens to join the effort—knowing that psychologically and emotionally—lots of them will be troubled by such an effort. He even called a press conference to announce the formation of his *guiding coalition*.



As you can see, the Mayor and his small team of councilors are starting to make some significant headway. They have expanded their ranks to include a few key individuals they believe can be strategic in offering different perspectives... individuals who can also link the city government to different resources within the community.

When local governments take on corruption, such as portrayed in our little scenario about Shakedown City, the stakes are high. While holding these guiding coalition dialogues is time consuming, they help coalition members understand the underlying values and rationale for addressing corruption, and help to clarify what the stakes will be for the city and citizens if they decide to undertake a comprehensive corruption-curing program. They also begin to appreciate what the stakes would be for the local government and community—if they don’t take action to cure and prevent the corruption in their midst.

As the mayor reminded the coalition members on more than one occasion, *“We’ll be in trouble if we do and in trouble if we don’t. Given the choice, I’d rather get run out of office doing what I think is right for our local government and the community.”*

Problem Finding, Action Planning and Resource Mobilization

The Mayor of Shakedown City agreed to hire an outside consultant—someone who had been involved in helping another city put together a corruption curing program.

In their initial meeting they talked about a number of things that would be important to assure the success of their intervention. For example, they discussed the objectives the

Mayor and his administration wanted to accomplish; the roles of various players—not the least their own; manageable parameters for the corruption intervention they were about to undertake; the kinds of support that would be needed from employees, the citizens and others to make the intervention successful; the importance of focusing on preventative policies and processes rather than punishment approaches to corruption; and many more issues and concerns. After all, they were about to take a journey into the unknown.

The Mayor also reminded the consultant, *“If this works, I expect to get all the credit. If it doesn’t, I’ll blame it on you!”* The consultant just nodded, thinking to herself, *“I’ve heard that line before.”*

Once the Mayor and consultant were clear about these issues and had reached an agreement on how they would work together, the Mayor called a meeting of the guiding coalition. He wanted to suggest some ideas to them about how they might initiate their corruption-curing efforts.

“Thanks for your willingness to serve our community on this important venture”, the Mayor said, in his most official tone of voice, as he opened the first meeting of the Guiding Coalition. *“In discussions with our consultant, I’ve come up with some ideas on how we might initiate our campaign to cure corruption in Shakedown City. But, let me assure you that these are just a few ideas to get us thinking about it—certainly I want your full engagement in this important venture.”*

He suggested a plan to hold a number of workshops on addressing corruption in local government operations. In addition, he suggested these workshops should be designed to help city officials and employees, and citizens, understand what is going on and get involved not only in diagnosis but also in finding solutions. As the Mayor said, *“We’ll start the series with a high-level meeting of top local government officials, and leaders of the community’s business and civil society organizations. And then, we’ll hold work sessions with various local government departments, including finance, public works, and the police. The intent of these workshops and work sessions will be to identify some of the most important issues that are contributing to corruption in the local government and community—and plan some courses of action to cure them. In other words, we plan to get a lot of key people involved in these efforts. As you can see, I’ve decided to take a more positive, collaborative approach that will focus on finding ways to cure some aspects of corruption in our midst—but more importantly to find ways to prevent corruption.”*

“And,” almost as an after-thought the Mayor added, *“Our consultant is suggesting we consider adopting a definition of corruption she found in some book called Corrupt Cities. The authors claim that corruption is a result of certain power monopolies in the hands of people with discretion who make decisions without being accountable.”*

Then he turned to the consultant and said, *“Ana, could you put their corruption formula on the flip-chart?”* Ana quickly wrote out the DNA, as the mayor likes to call it, for corruption: $C = M + D - A$ (corruption equals monopoly plus discretion minus accountability). And then she said, *“For example, corruption occurs when some part of the local government organization has the monopoly to issue traffic violations, such as the police—or to purchase equipment for the city; and that power is in the hands of police officers or the purchasing agent; and there is no accountability for their actions. Guess what? It’s the recipe for corruption.”*

Based on input from the various workshops and other interactions, the Mayor, elected Councilors, department heads, and employees began the process of planning courses of action and mobilizing the resources needed to take action.

From Planning to Action

The Mayor decided he would experiment a bit with one area of the city's operation where there had been some obvious "indiscretions"—such as purchasing—before he and his staff engaged in a larger campaign to cure corruption. After all, he knew a little bit about the need for accountability in this part of the organizations operation—having some direct experience. With help from the consultant, the city installed a nationally-recognized set of purchasing standards. They not only established the procedures to be followed...they also assured the public, and particularly the vendors who did work with the city, that there would be oversight of those doing the purchasing. As the Mayor said, "If the procedures aren't followed, those responsible will be held accountable."

The new system worked. It reduced some of the procedural complexities of the old system of purchasing, educated the citizens on how the system worked, and increased transparency in the process.

As soon as the success of the new purchasing system was evident, the Mayor quickly moved into other areas of the city's operation (i.e. police, permits and licenses, public works, etc.) to implement plans to cure corruption. With the cooperation of several departments, the Mayor was able to establish a "one-stop shop" facility right inside the city hall entrance to receive and process just about all of the city's license and permit requirements. He also hired the recently retired editor of the local newspaper—who had often been critical of the city's operations—to take on the role of ombudsman for the city. He was convinced that this role would encourage those who might be victims of wrongful behavior by city employees to voice their concerns.

Running for re-election on a good governance ticket

The mayor wasn't taking any chances when the election loomed on the horizon. He ordered an impact evaluation of all the corruption-curing actions he and others had taken to clean up local government, and announced a comprehensive plan for on-going prevention.

At his inauguration, he said, *"I want to thank all those in my administration, and my elected colleagues, and of course, all the citizens who got involved, for their full support during the campaign we just carried out to rid our local government and city of corruption."*

And then he added, *"I know you all will be pleased to know that I've hired the consultant who worked so diligently with us during our corruption-reduction campaign to be my special assistant for clean governance in Shakedown City for the next four years. Ana, would you like to say a few words?"*



The obvious lesson of this brief little parable of corruption and its curing in Shakedown City is: *Just because there is corruption in your local government organization—and you might be caught up in it as a public official—doesn't mean you can't launch a successful program to cure the corruption and see that its reoccurrence is prevented. **Just change the conversations and dialogues that you and others are having—or, more likely, are not having—about corruption in your local government!***

Of course, we realize the *Parable of Shakedown City* makes this look incredibly easy—starting with some turnaround behavioral changes on the part of individual elected officials. Nevertheless, these are the kinds of changes that will be necessary if corruption is to be addressed successfully within local governments

and communities. Leaders must find the courage to talk openly and constructively about corruption; change their public and private conversations about corruption; and engage in constructive dialogues that will ultimately produce sustainable behavioral changes by individuals, local governments and communities in their efforts to cure, prevent and contain corruption.

A Final Note about the Process

The chapters of the Shakedown City scenario have been labeled to track the corruption curing and prevention strategy described in considerable detail in Part Two of this Guide. This methodology mirrors other approaches to planned change interventions that have been developed and perfected over many decades by management and organizational development specialists. While none of these concepts and strategies is foolproof—they can be effective in dealing with complex corruption, even when there is little respect for organizational boundaries or values.

To reinforce our belief that corruption can ultimately be cured and prevented—and barring such high performance goals—curbed and contained in local governments, we want to turn briefly to reflect on another social disease that many local governments and communities are currently facing. It's the HIV/AIDS crisis. According to the Global AIDS Alliance, over 8,000 people die from AIDS every day, and another child is orphaned every 14 seconds somewhere in the world. And yet, there are impressive advances being made in efforts to contain and prevent the spread of HIV/AIDS in many parts of the world through the concerted initiatives of national and local government and community leaders.

While some might question the choice of AIDS as an analogy to use in this discussion of corruption, there are some striking similarities between the two. We believe these similarities can help us better understand the social and emotional complexities that often surround initiatives to cure and prevent corruption. For example:

- We are stressing curing and prevention-and we would now add containment-as our arsenal of strategies for addressing corruption in local governments and communities. They are medical and not prosecutorial strategies. Efforts to address AIDS on a global basis also use these medical strategies.
- Each focuses on a social disease that discourages open discourse by those involved. In other words, openness and transparency are not values and behaviors that can be easily mobilized in addressing social diseases where there is often a high degree of denial-not only by those directly involved but also by community leaders and citizens.
To put it a bit differently, many key stakeholders in any sustained initiative to address either corruption or AIDS must change their private and public conversations and dialogues about them before measurable progress can be achieved.
- Both corruption and AIDS are spread through interactions that defy political, economic, social, geographic, and other definable boundaries. The growth of each of these is dependent on personal transactions-although these transactions have very different motives and consequences.
- Any successful initiatives to cure, prevent and contain either of these social diseases will require sustainable behavioral changes at various levels of interaction.
- And finally, there is a tendency for some leaders to enter into a state of denial when issues of either AIDS or corruption begin to make inroads into their institutions and communities.

What may not be so obvious is the similarity between our strategy to deal with corruption and the strategy that many international organizations, NGOs, and CBOs, and local governments are using to address the HIV/AIDS epidemic in various regions of the world. Their strategy, as outlined in *Facilitating Sustainable Behavior Change, A Guidebook for Designing HIV Programs*¹ includes the following stages.

Stage One, Pre-contemplation: prior to the time the person has begun to contemplate change or the need for change.

- Becoming aware of the issues, their relevance and potential impact, and how they fit into the current setting.
- Emotional response, i.e. experiencing and expressing feelings about the issues.
- Environmental analysis: assessing how the issue(s) relate to the physical environment.

Stage Two, Contemplation: something happens to prompt the person to start thinking about changes.

- Thinking through the issues, i.e. analyzing thoughts and feelings as they relate to the issue and the situation.

Stage Three, Preparation: includes information and data gathering and analysis, assessing options and potential impact, etc.

- Seeing other options may include learning new behaviors and skills.
- Self efficacy: includes choosing to act, making a commitment to change, and having a belief in their ability to change.
- Social support: alternative behaviors and solutions are occurring in the environment and support for change is available.

Stage Four, Action: acting on previous decisions, experience, information, new skills, and motivations for making the change.

- Helping relationships: being open and trusting with others about the difficulties and the new behavior.

Stage Five, Maintenance: once the new behavior has been adopted, practice is required to maintain it consistently.

- Reinforcement, such as being rewarded for new behavior.
- Seeing other options to move forward
- Being in control.
- Continuing social support.

A Contemplative Opportunity

Using the model just outlined and reflecting on the Shakedown City scenario, jot down some of the things you believe your local government or community can do to change public sector and community conversations and dialogues about corruption.

What specific actions are you personally prepared to take to make these changes in dialogue and conversations happen?

¹ Parnell, Bruce and Kim Benton, *Facilitating Sustainable Behavior Change, a Guidebook for Designing HIV Programs*. Fairfield, Victoria, Australia. Macfarlane Burnet Centre for Medical Research Limited, 1999. (This publication and its distribution are funded by the United Nations Development Program)

LEARNING THE BASICS

PART TWO

PART TWO

LEARNING THE BASICS

Selected Definitions

From Fisher's Dictionary of Essential Terminology for Corruption-Curing-and-Preventing Practitioners

Curing*: vb. (14th c.) Correcting, healing, or permanently alleviating a troublesome situation

Preventing**: vb. (1582) Taking practical measures to assure that whatever is chasing you doesn't catch you.

Corruption: n. (14th c.) Improper and unlawful inducements that defile the body politic, causing destructive behaviors, and the rotting of essential organs

Body Politic: n. (15th c.) A group of persons politically organized under a single governmental authority, i.e. a local self-governing institution.

Intervention: n. (20th c.) A deliberate act of entering into an ongoing cycle of events and relationships to bring about desired change.

Metaphor: n. (1st c. BC) A figure of speech in which one class of things is referred to as if it belonged to another class, i.e. corruption as cancer.

Parable: n. (14th c.) A short fictitious story that is used to illustrate a generally accepted principle or practice

**Curing corruption tends to be a reactive strategy. For example, you might have to engage in urgent surgery to eliminate the disease.*

***Preventing corruption in your local government and communities will require a proactive strategy. This means eliminating the possibility of the disease occurring in the first place—or containing it, if it does occur, before it takes its toll on your local government and community.*

Overview

In spite of all the current attention and unsolicited advice about corruption in local governments and how to get rid of it, we have long believed that a more effective and efficient means of addressing corruption should be made available to help local governments address these concerns. After hearing the former Mayor of La Paz Bolivia, Ronald MacLean-Abaroa, talk about his experience with corruption at the 2004 Partners Foundation for Local Development's (FPDL) annual meeting of its regional program, *Working Together*, in Bucharest, Romania, we realized the strategy and methodology already existed. However, what seemed to be missing was a more user-friendly way for local leaders to access and use the La Paz, Bolivia and other relevant experiences.

This Guide is an attempt to fill the gap between concepts about corruption-and the possibility of doing something productive to cure and prevent it in local governments-like what happened in La Paz, Bolivia nearly two decades ago. Then Mayor Ronald Maclean-Abaroa, with help from professional facilitators, assumed an unusual role. He became what columnist Anna Quindlen recently described as the inside-outsider in curing and preventing corruption in his city. Although she was writing about the value of women being outsiders in leadership positions, her insights reminded us of Mayor Maclean-Abaroa and his experience in dealing with corruption in La Paz.

Regarding women in leadership roles, Quindlen says:

“*There's a fire in the belly that creates a willingness to step off that treadmill of custom. They are a new breed: The Inside-Outsiders. Powerful, accomplished, yet among their male peers still in some essential way apart. Often you will hear them say, "I never expected to wind up here." Maybe that's a good thing. Maybe that's the secret to leadership, the path not of entitlement or entrenchment but the liberation of the unexpected.*”²

We see some interesting parallels between the increasing involvement of women in public service and those who take a stand to address corruption within local governments and communities. In many instances, the key actors will be one and the same. As Quindlen so poignantly puts it, they—and you—represent a different breed of leader: The Inside Outsiders.

Furthermore, her attention to issues of “entitlement” and “entrenchment”—as pathways best not taken if a leader wants to liberate the unexpected—identifies two of the greatest illnesses that define corruption within local governments and communities. Often those involved in corruption begin to see their participation in corrupt acts as one of the “entitlements” of public office. And, once corruption becomes “entrenched” in a local government and community, it is very difficult for public officials and others to dig their way out of that trench. Unless, of course, they liberate the unexpected—and that's what this Guide is all about.

² From Anna Quindlen's column, *The Value of the Outsider*, Newsweek, October 24, 2005, p.86.

Some Basic Assumptions

This *Practical Guide to Curing and Preventing Corruption in Local Governments* is based on a number of fundamental assumptions. Understanding these assumptions—and their potential implications—will be helpful as you and your colleagues consider the use of this Guide.

Assumption # One: It is important for local government elected and appointed officials to take the leadership role in any initiative to cure and prevent corruption in their organizations and communities.

This assumption, which forms the foundation of this Practical Guide, is based on several key factors that are integral to your roles and responsibilities as a local government leader:

- Without your will and commitment as leaders, the change process cannot be successful.
- You have the legal mandate to take decisive actions that are essential to curing and preventing corruption within your local government organization and the larger community.
- You have the potential to marshal the organization's human, financial, managerial, and physical resources. These are also integral to any potential success in curing and preventing corruption.
- As a local government leader you know where the “bodies are buried”—where corruption either exists within the organization or is most likely to exist in your local government's interaction with the larger community. Without such an information base, it is impossible to diagnose corruption illnesses and implement cures and preventions.
- Finally, you can be assured that the vast majority of citizens want their local government to operate as effectively and efficiently as possible on their behalf. It's in their best interest to live and work in a corrupt-free community. This Guide will help you learn how to engage both your employees and citizens in corruption curing and prevention initiatives.

Assumption # Two: While the leadership roles and responsibility for curing and preventing corruption in local governments should come from within, we are assuming that you and others on your local government corruption-curing team will need the help of one or more external specialists, i.e. facilitators or consultants, during the course of your interventions.

This assumption is based in large part on the experiences in La Paz and other local governments in their concerted efforts to cure corruption. It is common for organizations to employ the services of an external facilitator when they undertake complex social, economic and institutional changes from within. We will have much more to say about this potential role later in the Guide.

Assumption # Three: Any initiative to cure and prevent corruption in local governments and communities will be greatly enhanced if it is based on proven intervention strategies and tools. This *Practical Guide* is based on a wealth of experiences by both public and private sector leaders—as well as organizational change specialists—in addressing issues such as corruption within their institutions and communities. In developing this Guide we have relied heavily on the experience of many practitioners and theoreticians in their efforts to both understand the nature of corruption and ways to overcome its destructive results on the performance of local governments and communities. We will be describing an intervention strategy we believe will increase your potential for sustainable success in curing and preventing corruption.

Assumption # Four: Any long term and effective strategy to cure and prevent corruption within local governments and communities must ultimately involve a widening circle of individuals, groups, organizations, and institutions.

The process outlined in this *Guide* will help you put together your initial team, what we are calling a *guiding coalition*, and begin to engage various stakeholders, both inside and beyond the organization, to address specific corruption issues and ways to cure them, and formulate and implement longer-term preventive policies and programs. Corruption is, in most cases, an interactive infectious disease with the potential of becoming an epidemic—what some refer to as institutionalized corruption. Consequently, effective long-term, sustainable curative and preventative initiatives require various networks of local government and community participants.

Assumption # Five: Understanding complex socio-economic and political challenges, such as curing and preventing corruption in local governments, can benefit greatly by framing them in metaphorical thinking and language. As Jose Ortega y Gasset, the Spanish author/statesperson, reminds us, “The metaphor is probably the most fertile power possessed by man.”

In this Guide we have taken Ortega y Gasset at his word and used a medical metaphor to both describe corruption, i.e. a cancer in the body-politic, and processes that can be used to cure and prevent corruption. Our medical metaphor has been prompted by: 1) the many references that others use to describe *corruption*, i.e. cancer, disease; 2) the positive attributes of *curing* corruption rather than *attacking* it; and 3) the sustaining qualities associated with *prevention*.

The Focus of this Guide

The focus of this Practical Guide is simple and straightforward. It describes a phased strategic approach to curing and preventing corruption in local governments that is, in most cases, initiated and driven by **top elected and appointed executives**. This core group of local leaders will work with a growing number of employees in a participatory process to collect and analyze information and data on corrupting influences and practices in the organization, and take curative actions. While the process will ultimately involve those in the community who are affected by corruption, the leadership and initiative comes from within the local government organization.

In local governments where the top officials decide to take on this challenge, they may opt to work with an external consultant, or facilitator, to provide assistance in conducting the corruption-curing intervention. This was the case in La Paz. While there are no hard and fast rules about involving an external consultant to help guide the process, we have included discussion of this option in our brief outline of the overall strategy.

The Target Audience

This *Practical Guide* is designed to be used by senior elected and appointed local government officials and their employees - with perhaps the help of one or more external facilitators. By senior elected and appointed officials, we mean the Mayor, Chairperson of the Council, City Manager, Chief Executive Officer, or whatever the person is called who has executive and management leadership responsibilities for your local government. In other words, we are targeting this Guide to those individuals who, by virtue of their official positions and the authority vested in their roles and responsibilities, can provide the leadership needed to cure and prevent corruption in their local government and community.

The Medical Analogies

The medical terms of *curing* and *preventing* corruption that are used throughout this Guide are deliberate. They are intended to: 1) convey a powerful message about the mindset your local government should take toward corruption in your midst; and 2) describe an approach to corruption that is designed to both cure the *body-politic* and heal the community. The analogy of the “body-politic”, which equates governing mechanisms like local governments to the human body, has a rich history. Plato begins his *Republic* by not only establishing the analogy as a mode of inquiry—he also used the analogy to discuss the relative health or sickness of the body-politic (the state) with possible cures.

As we struggled with formulating a strategy we thought would help local governments deal with corruption in a positive and sustainable way, we realized the potential power of the curing and prevention analogy for helping local government officials and citizens come to grips with corruption as a debilitating and costly disease. And, it has historic precedent—going back to Plato’s analogy of a *healthy* body-politic and a *feverish* corrupt one in his groundbreaking treatise on democracy.

The Option of an External Facilitator

As mentioned previously, we believe the senior local government officials who make the decision to cure their local governments of corruption could benefit from the services of a qualified and experienced external facilitator. Normally, this individual would be responsible for guiding the collaborative process of information gathering and analysis, decision-making, and problem solving. Given these responsibilities, the facilitator should have in-depth knowledge, skills, and experience in conducting data-based, participatory decision-making and problem-solving processes in complex institutional settings.

In addition to these professional qualifications, you will also want to be assured that this person:

- Is committed to devote uninterrupted time for planning and facilitating the process Understands the importance of confidentiality
- Shares your values and commitment regarding effective ways to make sensitive interventions for the purpose of curing and preventing corruption
- Can be trusted by your colleagues and staff to be fair and unbiased in all aspects of a difficult organization intervention.

We will highlight the experiences of two public officials as they coped with corruption within their local governments and communities. One worked with an external facilitator; the other didn’t. The decision to work with an external facilitator is a judgment call based on many factors: depth of staff and their skills, budgetary restraints, extent of the corruption, knowledge and skills in implementing a planned change process over an extended period of time, and more.

The Guide has been written so you as a public leader and your corruption-curing coalition can plan and implement the intervention without the help of an external consultant, using the various tools and techniques we provide that are designed to provide a logical framework for action. Or, you might seek the help of an outside consultant to help in the process. The choice is yours.



We want to alert you that both case studies we have used to describe the corruption-curing-and-preventing process are about “lonely hero” types; in other words, a local leader, who was not involved in the corruption directly, took actions to cure it.

We also realize there are situations where corruption infects the entire local government organization and community—and a small group of individuals take the courage and resolve to stem the epidemic—even though they are a part of the corruption. Since we didn't have a real-live case situation like this to work with, we decided to create one. You've no doubt already come across it in *Part One: Starting a Dialogue about Corruption*. The allegory about the elected officials in Shakedown City makes a powerful statement to those who are inclined to say "No Way is it possible to cure corruption in my local government." In Shakedown City, responsible community leaders took the bold initiative to change the conversation about corruption. You can do the same.

The Importance of Thinking and Being Strategic

Since we will be using the terms *strategy* and *strategic* with some frequency during this Guide, we want to alert you to our meaning of these terms. By *strategy* we mean the way you will arrive where you want to be from where you are now.

Thinking strategically about corruption means: confronting your assumptions about what causes corruption and what should be done about it, understanding the systemic nature of the corrupting illnesses, assessing the potential for building local government-community coalitions and partnerships, and designing and implementing successful strategies to cure and prevent corruption in your local government and community.

These strategies should: focus on corrupt systems - not only on corrupt individuals; identify and address the most dangerous forms of corruption; and, have short, medium and long term objectives.

The Guide's Contents and Non-Contents

Let's deal with the non-content issues first. There are a number of things you **won't find** in this Guide—even though you might be expecting them. We feel it's only fair to tell you in advance so you won't spend time looking for them as you work your way through this Guide.

For example:

- **You won't find a focus on the morality and ethics of corruption.** Though corruption causes direct and predictable harm, especially to the most disenfranchised groups, and is therefore in violation of moral codes existing in most societies, the authors of *Corrupt Cities* remind us that any strategy to cure corruption "*must go beyond moralizing, legalisms and the bromide that corruption would not exist if only we all fulfilled our obligations. It must transcend the reflex to install new rules, new regulations and new layers of review.*" They also ask those who want to cure corruption in their local governments to "*consider corruption through new lenses of economics and to eschew temporarily the accustomed lenses of morality and ethics.*"³ (Klitgaard, Maclean-Abaroa, and Parris 2000) John Sullivan and Aleksandr Shkolnikov make a similar observation in a recent article about corruption in local governments.

*"Because the definitions of corruption vary and because corruption takes many forms, the problem often becomes an issue of morality. Yet, the issue has to be looked at and analyzed as an economic one rather than thinking of corruption as immoral behavior, it has to be thought of as a behavior that imposes additional costs on citizens, businesses, governments, and whole economies in the long run"*⁴.

We do not deny that the ethical dimension is important in creating a climate in which corruption can be cured and prevented; we just want to persuade you that

focusing mostly or only on the ethical dimension is not an effective way of curing this illness.

- **You won't find a bias that effective initiatives to cure local government corruption must be driven from outside the organization.** We believe that corruption is best cured from within and not forced upon local governments from the outside. This doesn't deny that externally driven interventions, like *vote the scoundrels out of office*, aren't sometimes essential, but we advocate curing the body politic from within. On the other hand, local government-driven initiatives must also engage the larger community. Corruption doesn't exist in a vacuum. Nor can it be cured or prevented in isolation from the larger environment. Pressure from higher levels of government as well as the community are two very important factors that can help local government leaders in their efforts to bring about change.
- **You won't find assertions** that you can have a corrupt local government without having a complicit constituent community. In many communities, citizens like to deny that corruption infects both the carrier of the disease and the recipient. While many citizens who pay bribes to get public services often consider it as "just a cost of doing business", they are active, though often unwilling, participants in corruption. Even though the strategy we are advocating is focused initially on the local governing apparatus, the community must ultimately get involved. As John Sullivan and Aleksandr Shkolnikov remind us, "the private sector is an equal participant in corruption, and efforts to limit its ability to engage in corruption are therefore equally important⁵."
- **You won't find attention** to aggressive corrective and legal measures - such as fighting and attacking corruption. This Practical Guide is not about the aggressive approach to dealing with corruption. It is not about attacking or fighting corruption. The tendency to want to fight corruption suggests that someone needs to be punished, fired - even thrown in jail! Of course, there are bad people out there who should be punished for their private transgressions against public institutions. And, selective assertive strategies, such as "frying the big fish" that was used by the mayor of La Paz and one of the authors in their separate campaigns to cure corruption, may be strategically important in setting the tone and sending the message that certain types of behavior will not be tolerated. We are not suggesting that you or anyone else should condone corruption and illegal behavior. But, attacking your own officials—even if you know many of them are guilty of corrupt behaviors—is rarely successful. As Justice Efren Plana, who successfully addressed systematic corruption in the Philippines' Bureau of Internal Revenues, reminds us. "You cannot go into an organization like the white knight, saying that everyone is evil, and I'm going to wring their necks.⁶" Aggressive actions against corruption can cause blowback and unintended consequences. The very act of "fighting corruption" means that those accused of being corrupt will fight back – in one way or another. To not fight back, according to Isaac Newton, defies the third universal law of motion.

³ Klitgaard, Robert, Ronald Maclean-Abaroa, and H.Lindsey Parris, *Corrupt Cities: A Practical Guide to Cure and Prevention*, Oakland CA ICS Press and Washington, World Bank Institute, 2000,,p.2.

⁴ Sullivan, John and Aleksandr Shkolnikov, *Combating Corruption: Private sector perspectives and Solutions*, Economic Reform Issue Paper No. 0409, Washington, Center for International Private Enterprise, September 22, 2004, p2.

⁵ Sullivan, John and Aleksandr Shkolnikov, p.2.

“To every action there is always an opposite and equal reaction: or, the mutual actions of two bodies upon each other are always equal, and directed in contrary parts⁷”. Given this inevitable reaction, which can very quickly get nasty and counterproductive in efforts to fight corruption, we believe you ought to consider a more proactive approach, one taken from the theories and strategies used in the healing professions.

- **You won’t find quick, easy, permanent fixes to overcoming corruption in local government systems.** It would be folly to suggest that any effort to cure and prevent corruption is going to be easy, quick, or permanent. To paraphrase jazz singer Billie Holiday, “the difficult you might be able to do soon. The impossible will take a bit longer.”

Now that you have a better idea of what we don’t plan to cover in this Guide, here are some of the key things you can expect to find in the Guide. For example, you will discover:

- **New ideas on the nature of corruption and insights into the curing and preventing approach to corruption in your local government and community.** We will: explore what we mean by *curing and preventing corruption* within the context of local governments and communities—as well as our use of the medical metaphor; define corruption from different perspectives; examine the uniqueness of local governments as change agents; and, describe some of the tools we will be using—including the planned change process.
- **A strategic, facilitated, planned change process that is described in a logical series of activities.** This process, designed to help you and your colleagues cure and prevent corruption in your local government and community, is described through the use of two case studies. While these case situations vary greatly, the planned change processes used in each case have much in common.
- **A well-stocked tool-kit to use in your efforts to cure and prevent corruption in your local government and community.** These policy and management tools are presented in Volume 2 (*Process Facilitation Tools*) and mirror the strategic approach outlined in Volume 1, Part Three (*Putting the Basics to Work*). They are designed to help you and your team: collect and analyze important information, set priorities, make decisions, implement actions, and evaluate the impact of these actions on your local government’s state of health.

With this lengthy introduction out of the way, it’s time to explore some of the issues we just mentioned in more depth. It’s our attempt to help you better understand the territory you will be exploring and conquering in curing and preventing corruption in your local government and community. The first deals with the core of our contention that you, in fact, can cure and prevent corruption.

⁶ Klitgaard, Robert, Ronald Maclean-Abaroa, and H.Lindsey Parris, pp.89-90.

⁷ From Sir Isaac Newton’s *Principia Mathematica*, Laws of Motion, III (circa 1729)

To Cure and Prevent Corruption

Or, to roughly borrow from William Shakespeare, “To cure or not to cure; that is the question.” It may help to rhetorically ask this question to decide whether you are in the curing or preventing mode as you take on corruption in your local government and community. Realistically, the two approaches overlap—curing and preventing are both part of the stew you will need to cook up to address corruption, short-term and long range, in your local government and community.

For purposes of this discussion, we will use case studies that initially focused on “curing” corruption. Nevertheless in each of the cases, the local governments involved quickly shifted into a dual operating mode to both cure *and* prevent corruption. We realized, in researching and writing this Guide, that curing and preventing corruption really is a metaphorical stew—and not two *entrees* to be offered in sequence and in different timeframes.

These two approaches also use many of the same tools and follow the same planned change rationale and steps. This makes our task in describing your potential *curing* and *preventing interventions* a bit easier. Nevertheless, your challenge—in our strategic *meshing* of the two approaches—will be to appreciate the differences between curing and preventing corruption without getting lost in the rhetoric of our definitions and descriptions. Curing a corrupting situation doesn’t necessarily prevent it from happening again. Curing is, more often than not, a result of current action. Preventing is more future-oriented. In other words, how can you, as a public leader, cure corruption and ensure that the disease does not mutate and continue to infect your organization in the future?

Gaining a Broader Perspective about Corruption: A Case Study Approach

There is no lack of information—or relevant insights—about this thing we are calling **corruption**. The Internet *Yahoo* search engine discovered *about* 56,100,000 articles on corruption in 0.16 seconds; while *Google* unearthed more than 59 million in 0.21 seconds. It’s all a bit mind-boggling. So, we will limit our discussion to two actual case studies where local leaders inherited corruption when they took office.

The first case study is about Ronald Maclean Abaroa, the courageous Mayor of La Paz, Bolivia. The second is based on the experiences of one of the authors when he was a city manager in a small university city in the United States. We have decided to focus on these case situations because they are very different in the scope of corruption, the stakes involved in curing corruption, and the size and makeup of the municipalities.

- In La Paz, the new mayor was dealing with institutionalized corruption—it had seeped into every crevice of the body politic and threatened to destroy the economy of the city. He took bold and decisive actions to address the corruption—and gained international recognition for his actions.
- In State College, the corruption was limited to one city monopoly that was controlled by the city—the issuance of housing permits to private businesses and local citizens to provide housing for more than 10,000 university students who lived off-campus. (While there may have been other sources of corruption at the time—this was the wake-up call that prompted the new city manager to take action.)

While these case situations are very different, the strategies each employed as local government officials had much in common. Furthermore, these strategies reflect many of the major findings of management, organizational development, and planned change research and practice over the past several decades.

The two cases are also different in the way corruption manifested itself within these two communities. In La Paz, the corruption was of the *in-your-face* kind. Anyone doing business with the city when Mayor Ronald MacLean-Abaroa took office was having his or her pocket picked by the city employees they were forced to do business with, and major scams by well-placed public officials were common.

In State College, the corruption was more genteel-like, a fungus that had infected only a part of the population. If you were not a student forced to live off campus because of the lack of university housing you probably didn't know or really care about the corruption. What we believe is important about this case is the underlying message it carries about the relative powerlessness of minority populations and the ease with which they can become pawns in the hands of vested interests and government officials who don't see them because they live in the shadow of the economic and social mainstream of their communities.

While the size and scope of the corruption in these two situations differs significantly, the strategies employed to deal with the corruption have much in common. Corruption varies from one local government to another. Not every mayor or local government leader will be faced with the kind of institutionalized corruption that engulfed La Paz's ability to function effectively and efficiently. Many will encounter corruption that is more limited, such as the case in State College. The size of the local government you represent, and the resources at your command, may vary greatly from those represented in the two cases.

As we mentioned earlier, these two case situations represent the *lonely hero* type of intervention, where one public official who is new to the organization, initiates the corruption curing process. There are many other ways that corruption can be addressed and we will also depict a situation, in Volume 1, Part I, where those who have been associated with a corrupt organization decide to take a series of actions to cure the corruption.

Defining Corruption in Operational Terms

There is an abundance of information available about corruption and how to deal with it. A bit of winnowing is useful if you decide to peruse it in any depth. For those who want to go beyond the ideas in this guide there are no better sources than: Transparency International (TI); the Utstein Anti-corruption Resource Center (U4) in Norway; and the Global Campaign on Urban Governance of UN-HABITAT⁸. We encourage you to seek out their web sites, and others, so you can be current about how transparency and corruption are being defined and what others are doing about each.

We have turned to the authors of *Corrupt Cities* (Klitgaard, Maclean-Abaroa, and Parris), for an operational definition of corruption and their insights on how to cure and prevent its manifestation in local governments and communities. They define the concept broadly as

“ ***the misuse of office for private gain, where office is a position of trust, where one receives authority in order to act on behalf of an institution, be it private, public or non-profit***⁹.

⁸ UN-HABITAT and Transparency International jointly published in 2004 “Tools to Support Transparency in Local Governance”. This toolkit, which can be obtained from www.unhabitat.org, provides a broad framework for developing local transparency programmes. It offers 29 tools on assessment and monitoring, access to information and public participation, promotion of ethics, professionalism and integrity, and institutional reform. This is illustrated by 72 cases from all major regions of the world.

⁹ Klitgaard, MacLean-Abaroa and Parris pp. 14-5

They go on to explain there are different varieties of corruption, not all equally harmful. The most damaging is *not* the corruption that provides speed money for public services but:

- The corruption that undercuts the rules of the game – for example the justice and police system, property rights, or banking and credit systems. This type of corruption devastates the economic and political development of a country.
- The corruption that allows polluters to poison rivers; hospitals to extort patients; or builders to steal cement and build houses that will collapse during the first earthquake. This type of corruption devastates environments and kills people.

They also say the extent of corruption matters. Most systems can withstand some corruption. But when corruption becomes the norm, when corruption becomes systematic, its effects are crippling. It is like having a serious disease or combination of diseases. Our body can withstand some, but when the diseases spread to more than one system and attack the basic functions, we collapse.

Finally they provide a very practical and operational formula to identify the opportunities or the situations that can breed corrupt activities: $C = M + D - A^{10}$. Since we take a medical approach to curing and preventing corruption in this Guide, you might consider this formula as corruption's DNA.

Corruption (C) equals monopoly power (M) plus discretion by officials (D) minus accountability (A). As they explain, “whether the activity is public, private or non-profit, whether we are in La Paz, Lilongwe or Los Angeles” and someone has monopoly power over a good or service, and has the discretion to decide whether someone gets the service or good, and at what price, and there is no accountability - the climate is ripe for corruption. In other words, **corruption is a crime of rational, economic calculation, not a crime of passion**. When the size of the reward is large and the chance of being caught or the penalty if caught is small, people, pushed by need or greed, succumb to the temptation of corruption.

Some have argued that Klitgaard's formula may be modified if we take on the “ethics” factor¹¹. Indeed, promotion of ethical behavior can play a major role in reducing corruption, enhancing transparency and improving civic engagement. However, for the purpose of this Practical Guide we will stick to the original Klitgaard formula.

The “Street” Definition

While we will be using the *Corrupt Cities* definition of corruption in this Guide, we also believe it is useful to get the perspective of those who must deal with it on a daily basis as they strive to make a living. They, as you might imagine, define corruption somewhat differently.

Many years ago Fred Fisher was interviewing business leaders in Ghana about the influence of corruption on economic development. One of the individuals interviewed was a wily old Lebanese trader who said, “Fred, you gotta recognize there's a difference between corruption and ‘greasing the palm’.”

“Oh. What's that?”

¹⁰ Klitgaard, MacLean-Abaroa and Parris p.26 (According to the original footnote regarding this formula, it originated with Dipak Gyqwali in an unpublished manuscript entitled, Structural Dishonesty: Corruption Cultures in Public Works, 1994.

¹¹ UN-HABITAT and Transparency International, “Tools to Support Transparency in Local Governance”, p.14. It is suggested that $C=(M+D-A)/E$, whereby E is “ethical ambience”.

He responded, mustering up an authoritative tone of voice, “*Corruption is when I pay someone to do something he or she shouldn’t be doing. Greasing the palm is paying them to do what they should be doing – but faster.*”

He explained. “*When I have a shipment of fresh fruit sitting on the ramp at the airport and it can’t leave until the customs agent okays it – and I know the fruit will spoil if it doesn’t make tonight’s flight, I encourage him to work a little faster.*”

The old trader’s explanation sounds reasonable, doesn’t it?

But, according to the authors of *Corrupt Cities*, corruption is a crime of economic calculation. What the old trader didn’t say was, “*Greasing the palm is paying the customs agent to do what he should be doing anyway – but faster - and maybe at an increasing rate of payoff.*” What if the customs agent gets greedy and starts to up-the-ante to the point where it’s costing the trader his profit and the trader decides to go out of business. In this case the small farmers, who provided the fresh fruit to the intermediate trader in the economic chain of events, may no longer have a market—or they may have to find a new one. Has petty, small-scale, bureaucratic corruption, what the old trader referred to as “a little grease money”, gradually escalated into a more complex and destructive form of corruption?

In understanding corruption and how it becomes an infectious disease that attacks the body-politic of your local government, it is important to appreciate the power of *street-level bureaucrats* in the process. In the case we have been describing, the customs agent—who most would consider a street-level bureaucrat—has effectively stepped into the policy-making role by overruling the mandates of the public officials who established the rules and regulations he is expected to implement.

But, what if the trader gets greedy, and decides that he would like to squeeze out the new competition who suddenly showed up at the airport with her fresh pineapples. He then starts to pay the customs agent not to do for others what he does for me. Even the ancient and seemingly harmless art of “greasing the palm” can have its unintended consequences. Petty corruption can evolve into grander forms of corruption and even be construed as “political corruption” by citizens - if the elected officials aren’t diligent in carrying out their representative, policy-making, and oversight responsibilities. While elected officials may not be part of the corruption problem, as just described, they must be part of any sustainable program to cure and prevent corruption.

The Ghana trader was providing us with an excellent example of $C=M + D-A$. The Ghana government had **monopolistic power** over granting customs clearance at various shipping points in the country. Their custom agents had **discretion** over granting clearances and it would appear—if the old trader was honest in his assessment—that there was **little accountability** being exercised by either the individual custom agents, or the agency’s leadership who were presumably responsible for providing operational oversight. It was an environment ripe for exploitation.

The tragedy of this little scenario, as we have described it, is the potential for relatively minor infections at the extremities of the body-politic to become a major disease that can affect the entire system. Moreover, the private trader, who has no official status or power within the organization, can also thrust himself into the policy and decision-making roles that are intended to be the responsibilities of public officials. Corruption tends to blur the lines between what are intended to be the public and private roles and responsibilities in our communities and societies. Corruption strikes a blow to the heart of the democratic process by destroying trust between government and its citizens.

We will return to the Klitgaard, Maclean-Abaroa, and Parris formula, **Corruption (C) equals monopoly power (M) plus discretion by officials (D) minus accountability (A)** later on when we look at the diagnostic phase of curing and preventing corruption within local governments and their communities. We will also, at that time, look at some local government programs and services that are the most vulnerable as defined by Corruption's DNA: $M + D - A$.

But first, another economic explanation of what corruption is—and isn't. While Klitgaard, Maclean-Abaroa, and Parris define it as a *crime of economic calculation*, Sullivan and Shkolnikov, from the Center for International Private Enterprise (CIPE), describe corruption within the economic concept of supply and demand. They say *the supply side of corruption is the private sector that provides bribes, gifts, and kickbacks to the government officials who, in turn, are the demand side of corruption*¹². These two perspectives are an important contribution to both understanding corruption and what local governments can do about it.

Reflective Opportunity

Take a moment and reflect on the possibility that corruption has reached a level in your community or local government where it is having serious consequences, such as those just described. What are your concerns about the economic costs of corruption for the average citizen?

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What are your concerns about the social costs of corruption?

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What are your concerns about the political costs?

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What do you believe you might begin to do in order to address these concerns, given your unique local government role and perspective?

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¹² Sullivan, John and Aleksandr Shkolnikov, p.2

Corruption and the Medical Metaphor

As mentioned in the Introduction, this *Practical Guide* is based on the fundamental assumption that corruption is an illness - even a cancer – that can be *cured and prevented*. In coming to this decision we, of course, were influenced by the La Paz experience even to the point of poaching some of their language to name our Guide. We also realized, as we explored more and more of the writings about corruption, that the medical metaphor is a powerful image in describing what corruption is all about. Here are just a few examples we came across in researching this strategic approach to corruption that reinforces our decision to use the medical metaphor.

- In a recent article entitled *No Doubt about it: Europe is in Trouble about Corruption*, the author said, “Corruption is spreading like **cancer**.”
- Robert Klitgaard, who has done some of the most creative action research interventions to address corruption in public agencies around the world, says, “Next to tyranny, corruption is the great **disease** of governments. Skilful **surgeons** need more than a single way to **cure the disease**.”
- And, the World Bank, in its publications, calls corruption “a **cancer** on development a **symptom** of failed governance.”

These terms suggest we are dealing with a medical condition in the body politic. And nothing we have read recently uses the metaphor and art of the parable more effectively to convey the importance of corruption and the need to cure the ailment than a recent editorial entitled: *Avoid as Much as Possible the Corruption Disorder From Reaching the Critical Point*.

This editorial, in the August 16, 2004 edition of *The Economic Observer*—China’s leading weekly newspaper on the country’s economy, politics and culture—relates an ancient Chinese story that is both germane to our medical metaphor for corruption – and a reminder of how insidious and dangerous corruption can be to a nation’s long term health¹³. It’s a wonderful story from the past and a powerful omen about the dangers of ignoring corruption.

“It seems that many centuries ago, a highly skilled physician by the name of Bian Que was summoned to consult with King Qi Huangong. The doctor took one look at the King and said, “You are sick”. The King was shocked and angry, saying without hesitation, “I am not sick. Several months later, in a consultation with the King, Bian Que said again, “Your illness is getting more serious. I’m afraid it will continue to get more serious if it isn’t cured”. The King refused to listen.

In his next consultation with the King, Bian Que took one look at the King, turned his head, and walked away. The King sent his attendant to catch up with Bian Que and summon him back to his side. “Explain yourself,” the King shouted to his advisor. And Bian Que responded, “When the sickness is located where the skin and muscle are joined, hot compresses can cure; when it is in the flesh, acupuncture can cure; in the intestines and stomach, a concoction that cures gastrointestinal disease will suffice; but when it reaches the marrow of your bones, you can only submit your life to fate, for nothing can cure. Your sickness has now reached into the marrow and there is nothing I can do”. Five days later, King Qi Huangong died.

¹³ The ancient fable and other information about the Chinese corruption discussion were taken from an editorial in the 16 August 2004 edition of *The Economic Observer*, *Avoid as Much as Possible the Corruption Disorder from Reaching the Critical Point*.

The editor goes on to explain the stages in which he has seen corruption grow in China following the Revolution. He says their society has now reached the point where, “corruption has not only damaged the fundamental interests of the common people, but also seriously infringed on the very foundations of the society – causing an impact on the fundamental objectives of the ruling party”. He says the people and the government are of one mind and one heart. They share a bitter hatred toward corruption. And yet, corruption continues to flourish.

The editor’s comments, as they relate to the development of the *strategic approach* we are about to reveal, are germane in two ways. First, the medical metaphor he uses to describe the state of corruption in China is the one we are using. More importantly, the approach he is suggesting to his readers to cure and prevent corruption is very similar to the strategic approach we will be spelling out a bit later. Let’s look at what he is saying.

“After understanding fully the nature of the sickness (corruption), we must also accurately grasp the extent of the sickness. We probably need to carry out an open, scientific, and systematic investigation that will enable us to have an accurate and comprehensive grasp over the case. Based on this investigation we can then discuss what method of treatment should be adopted, the extent of the treatment, and the time and energy needed to carry it out. Only after the people have a full understanding of the disease can they come up with valuable suggestions.

The editor is advocating an open, collaborative and systematic diagnosis of corruption—followed by options to be considered and actions to be taken. We couldn’t have found a better advocate for the approach we will be proposing to cure and prevent corruption within your own local government and community. Before we make that transition to action, we want to look briefly at the institution of local government as an instrument for managing these kinds of complex socio-economic challenges.

Understanding Local Governments as Unique Change Agent Institutions

The institutions of local government are complicated: by history, by legal mandates, by size, by structure - in fact, by all sorts of unique circumstances. For example, the local governments that are emerging from centralized governmental systems—the so-called transitional countries—have different problems and opportunities when it comes to corruption that those local governments that have centuries of historical precedent. Local governments also vary greatly in their degree of “home rule”—or legal and procedural independence from higher levels of government. The manner in which governments are legally, politically, and managerially structured will often temper the potential and the reality of their corruption. Given these unique variables, whatever we say about these institutions may differ in part from your experience as a local official, or the characteristics of the corruption in local government(s) you will be seek to cure and prevent. So, temper what we have to say with a dose of your own local government reality.

Corruption in local government also presents a bundle of challenges that are different from corruption in national governments or private organizations.

For example, decisions you make as a local government leader will not only affect your own organization and its ability to function effectively and efficiently, they will also affect your community and the way it works in relation to local government. It may even affect members of your religious institutions, your social clubs, and your neighbors. Curing and preventing corruption in local governments can get extremely personal.

Nevertheless, it may be one of the most important endeavors you ever undertake as a local leader. According to the Center for International Private Enterprise, local government corruption can result in:

- Misguided and unresponsive policies and regulations
- Decreased efficiency
- Less public revenue for essential goods and services
- Increased public spending
- Lower public service productivity
- The rule of law being undermined
- Democratic reforms put on the back shelf
- Loss of private investments, and
- Increased political instability.

To these important policy and management-oriented concerns we would add: citizen cynicism, lack of public trust, inability to recruit qualified candidates for public offices, both elected and appointed, and a total distortion of those measures that define civic performance. It's a heavy price to pay.

Corruption and Local Government Challenges and Opportunities

With these caveats in mind, let's take a look at some of the more common challenges and opportunities that will help to define your efforts to cure and prevent local government corruption.

The Political Challenge: Curing and preventing corruption in local government is a *very political affair*. This assumes you have a political process in the community that is functioning effectively enough to offer different perspectives and approaches to the resolution of public issues. It provides your political opponents with the kind of issue they can often only dream about. There is nothing more politically exciting and potentially beneficial to the politicians who are out of office than to see those in office in an embarrassing situation.

And Opportunity: The other side of that political coin is the opportunity to tell citizens that you and your colleagues are doing something about corruption—and it's about time.

The Policy Challenge: Most local governments don't use their legal framework and policy-making powers as pro-active instruments of change. And yet, the judicious use of your legal powers and the formulation and enactment of policies that clearly describe your intentions regarding corruption and how you will cure and prevent it are potentially the most important output of governing bodies.

And Opportunity: The policy making opportunities, as they relate to curing and preventing corruption, are extensive, i.e. new purchasing policies and mandates, establishing oversight boards, setting corruption-defying fees and licensing processes, privatizing certain functions.

The Executive-Managerial Challenge: The corruption challenge, whether you want to admit it or not, is most often laid on the chief executive's doorstep, whether or not this is fully justified. The old political adage that U.S. President Harry Truman is credited with saying, "The buck stops here," can, of course, have two meanings when used to describe corruption. The first describes the responsibility for the chief executive of any institution to take full

responsibility for what happens on her watch—or it can mean that the “buck”, as a monetary unit of wealth, also ends up in the pocket of the chief executive.

And Opportunity: There are significant opportunities to use the executive office (the managerial arm of local government) to get things done. Both the Mayor of La Paz and the City Manager of State College used their executive authority to “fry a couple of big fish” as the initial steps in curing corruption within their respective local governments.

The Employee Challenge: Your employees might not be thrilled about the public impression that they are all corrupt. Of course, this will not be your intention, unless all of them are corrupt, which is highly unlikely, but you know how such messages can get distorted.

And Opportunity: Rarely will there be a greater opportunity to engage your employees in any concerted effort that has the potential to serve the majority of them with honor and create opportunities down the road. We will be talking about the involvement of the work force later when we begin to spell out the planning, mobilization and implementation steps.

The Economic Challenge: This corruption curing and prevention intervention could be costly in the short run. You may need to allocate scarce resources to collect and analyze information, you may need to hire outside consultants to perform certain tasks that your local government staff might not be capable of handling, and there may even be lawsuits if you step on tender but politically powerful toes.

And Opportunity: The costs of corruption to your organization and the community can be enormous, and curing corruption will save money in the long run. We’ve mentioned a few examples and will provide more when we get into the diagnostic stage of the intervention process.

The Public Relations Challenge: Curing and preventing corruption in local government is a *very public affair*. If you have any semblance of an open and democratic process, you will need to “wash your dirty laundry” in public. This means, among other things, that you will be expected to justify your actions to the public - and almost immediately. It’s like having a scandal in the immediate family; it’s very hard to keep it a secret. You may also be confronted with a perception common in many parts of the world - that local governments are more prone to corruption than other levels of governance.

And Opportunity: Exposing corruption in a public arena can prompt others to be helpful, even sympathetic to your cause. Getting corruption “out in the open” can be cathartic. For those citizens who hold a negative view about local government and corruption, taking on corruption from within will be an unexpected surprise.

We’re sure you can add more to this litany of challenges and opportunities. And that’s not a bad idea. So, sit back and have a reflective moment before we move on.

Reflective Opportunity

We’ve just mentioned six areas where we think there will be challenges and opportunities as you and others begin the corruption curing process within your local government and community. Take a moment and jot down a few more.

The Challenge:

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The Opportunity:

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A Few Analytical and Decision-Making Concepts to Consider

*The future for us is in our own place,
if we can learn to see it differently,
and are “strong in will” to change it.*
Charles Handy

The above quote is a reminder that curing and preventing corruption in your local government and community is a formidable challenge. First, it's your future you will be addressing—and more importantly it's your future in your own place. Second, you will need to learn to see both your local government and community through a different lens—to see them differently if you want to be effective in curing and preventing corruption. Finally, you will need to be strong in will to take on the challenge of corruption. Curing and preventing corruption in complex socio-economic environments, like a local government organization, is not for the meek.

Our perception of the challenge you face as local government leaders in addressing corruption is reinforced by Albert Hirschman's observations in his perceptive book, *Exit, Voice, and Loyalty*. He says:

No matter how well a society's basic institutions are devised, failures of some actors to live up to the behavior which is expected of them are bound to occur, if only for all kinds of accidental reasons. Each society learns to live with a certain amount of such dysfunction or misbehavior; but lest the misbehavior feed on itself and lead to general decay, society must be able to marshal from within itself forces which will make as many of the faltering actors as possible revert to the behavior required for its proper functioning¹⁴.

Learning to marshal the forces within, and having the will to change your own place, as suggested by Hirschman and Hardy, will not be easy but it is both necessary and important in terms of local government corruption. Adam Kahane, who we quoted in Part One on changing the conversation about corruption, says, “*It is not enough to be observers in the problem situation; we must also recognize ourselves as actors who influence the outcome¹⁵.*”

We want to re-emphasize a point we expressed in the very beginning of this Guide. Corruption in local governments and communities is best resolved from within by *Inside Outsiders*. Given this assumption, we want to introduce you to a few basic tools and skills that can help you be consummate *inside outsiders*. They have their conceptual roots in: *contingency* theories, other types of organizational change strategies and various individual reactions to change, and the more comprehensive approach to planned change interventions that are identified by a number of different labels. Here is a brief overview of these tools. As Kurt Lewin would remind us—*there is nothing so practical as a good theory*.

¹⁴ Hirschman, Albert O. *Exit, Voice, and Loyalty*. Cambridge, MA, Harvard University Press, 1970, p.1.

¹⁵ Kahane, Adam, *Solving Tough Problems*: San Francisco, Berrett-Koehler Publishers, 2004, p. 83.

Contingency—Another Way to Say “It All Depends”

Contingency theories help us appreciate there is no one best way to do things, including curing and preventing corruption in local governments and communities. Management specialists Dunphy and Stace (1988) argue that the type of change strategy appropriate in most situations depends on: (a) the time believed by the key decision makers to be available to complete the change; and, (b) the existence or lack of support for the change from the influential stakeholders¹⁶. Here is how their concept works when looking at decision-making options regarding corruption in local governments and communities

Time Available	Type of Environment	
	Supportive Environment For Change	Non Supportive Environment for Change
Time is not a critical factor in making decision(s)	Base Decisions on Inclusive Collaboration	Base Decisions on Strategic Alliances
Time is a critical factor in making decision(s)	Base Decisions on Strategic Consultation	Base Decisions on Legitimate Power and Authority

For example, if time is not a critical factor in making corruption related decisions, and you have a supportive environment in which to make decisions, you would benefit from collaboration with as many key stakeholders as possible. In other words, build a strong base of support in the organization and community (the **Inclusive Collaboration** strategy).

If you don't have a supportive environment to either cure or prevent corruptive conditions and you have time, it's probably best to base your decision on those strategic alliances that can help you implement whatever decision(s) you work with the alliance to make (the **Strategic Alliances** strategy).

On the other hand, if time is critical to making decisions, i.e. to wait will only increase the organizational cancer of corruption, and you have a supportive environment, it will still be important to consult with a few strategic stakeholders before making any decisions (the **Strategic Consultation** strategy). To use our medical analogy regarding corruption in local governments, it's probably best not to engage in open-heart surgery without a backup team.

However, there are times when you may not have much time, you don't know if you have a supportive environment, and you believe the decision must be made. In situations like this, base your decision on the power and authority that is vested in your position, or your political or professional standing (the **Legitimate Power and Authority** option). In both of the cases we will be following in this Guide, key individuals used their legitimate power and authority to take decisive actions and cut off strategic opportunities for local government employees to continue their corrupt practices.

Based on this contingency approach to decision-making, we believe the most sustainable change strategies for curing and preventing corruption in your organization are the ones that:

- Are supported by the main stakeholders, both inside and outside the organization; and

¹⁶ Dunphy and Stace, 1988. Theory of Contingency-Based Models of Change Strategies. Psychology at Work edited by Peter Warr Penguin Books, 2002. p.405

- Can garner sufficient power and authority to ensure adequate planning and implementation of changes.

We will return to this idea later in the Guide as we explain our systematic approach to curing and preventing corruption. We will also craft a tool from these concepts that you can use as you make your own decisions regarding curing and preventing corruption.

Awareness or Vision? Frequent Entry Points to Organizational Change

More often than not, organizational change is triggered by a growing awareness, within the organization and its immediate environment, about the urgent need to make changes—or, key individuals have a vision about what they believe is possible to achieve within the organization and community. Awareness tends to explore “what is” while vision is often defined as exploring “what if” options. While these concepts sound simple, in reality, they can become quite complicated and challenging—particularly when the focus is corruption. Let’s take a closer look at each of these potential entry points to organizational change.

Awareness

This approach starts by raising awareness concerning: the extent to which corruption has become a part of local government and community interactions, the continuing economic and social consequences of not addressing corruption, and the short term and long range benefits of curing corruption and preventing its reoccurrence. Unfortunately, increased awareness about corruption within your local government and community can have mixed consequences. For those who are not involved in any questionable activities, the response might be, “it’s about time the city cleaned up the mess!” For others who may be implicated in one way or another, there may be a “fear factor”, which, if not handled effectively, has the potential to undermine any potential changes.

Awareness about corruption in local government organizations, backed by substantiated information and data, can and should be dealt with vigorously. The former Mayor of La Paz, Bolivia talks about the importance of *frying big fish* to break through the culture of corruption—in other words, don’t hesitate to identify and punish those individuals who are sowing the seeds of corruption and reaping its benefits to the detriment of the organization and community. And, don’t hesitate to use such opportunities to help others in the organization and community understand that decisive actions are and will be taken to cure corruption. *Awareness raising covers not only your own awareness*, but the awareness of others in terms of both the level and types of existing corruption, and the actions that have and will be taken to cure corruption.

Vision

While awareness is concerned with “what is”, vision explores the “what if” dimensions of corruption. For example, what if you were able to cure the most destructive forms of corruption in your local government, such as rigged bidding on large local government projects or systemic bribery causing paralysis in service delivery systems? What if you could put in place safeguards to prevent future corruption? Obviously, such visions can be subject to revisions by future local government leaders, but this potential should not stop you from envisioning a corruption-free local government.

Restoring the health of your community requires an awareness of existing corruption, interventions to cure existing maladies, and a vision of how to prevent future corruption.

Exit, Voice, or both? Hirschman's conceptual framework—and probing question

Albert Hirschman presents us with an interesting theory that can only be useful if we redefine it to meet our interests. As he rightfully says in his seminal book, *Exit, Voice, and Loyalty*, “between economics and politics, exit belongs to the former realm, voice to the latter¹⁷.” Within this terse definition of his key concepts of exit and voice is an opportunity for local governments to understand how economics and politics are intertwined when it comes to corruption.

- The *exit strategy* is, for example, an opportunity for local governments to increase competition in public services delivery, by moving selected local government functions that have become corrupted into the private sector—albeit with tight oversight controls to assure that corruption doesn't continue to exist under different sponsorship.
- Conversely, businesses might very well choose the *exit strategy* to escape the hidden costs of your local government's corruption.

Exiting can cut both ways—consider it not only as an option but a threat to your community's economic base if corruption isn't dealt with effectively.

Voice, on the other hand, is just the opposite of *exit*—but a difficult concept to grasp easily as Hirschman reminds us.

“It is a far more “messy” concept because it can be graduated, all the way from faint grumbling to violent protest; it implies articulation of one's critical opinions rather than a private, “secret” vote in the anonymity of a supermarket; and finally, it is direct and straightforward rather than roundabout. *Voice is political action par excellence*¹⁸.”

The challenge for local governments is to foster the “voice” option within its own organization and the larger community in efforts to cure and prevent corruption without it becoming a destructive force. As we write this message, the state legislative body in Pennsylvania is under siege for having voted an enormous increase in their salaries in a late night session by employing dubious legal techniques—naively believing they could get away with it.

The citizens of this commonwealth were outraged at what they deemed as corrupt behavior. The politicians finally retreated by reversing their vote on the raise but got caught when they decided that it was okay to keep the salary increases that had already been paid to them in the interim. No issue in recent years has so enflamed the citizens and they have effectively taken their revenge at the voting stations.

As Hirschman reminds us, *voice is political action par excellence*. Learn how to use it—both within your local government and the community—and it will help you cure and prevent corruption. Ignore it, in terms of corruption—and it might come back to bite you.

Office of Ombudsperson and Public Service Report Cards

One particularly powerful citizen voice mechanism that local governments can use to increase openness and accountability is to establish an Office of the Ombudsperson. The Ombudsperson is usually elected and constitutes a public office that can receive and investigate allegations of misadministration and corruption by local government. In addition, this independent office can be given powers to review and monitor the income and assets of public officials¹⁹.

¹⁷ Hirschman, p.15

¹⁸ Hirschman, p.16

¹⁹ Tools to Support Transparency in Local Governance, Urban Governance Toolkit Series. Nairobi, Kenya, United Nations Human Settlements Programme and Transparency International, 2004, pp.120-4.

Giving citizens the opportunity to use their “voice” to give feedback to those who govern is something that local government leaders can assure through specific policies and programs. For example, the extension of a contract to a private firm to provide a local government service (such as refuse collection) may be contingent on citizen satisfaction with the service to date. In other words, citizens would be asked to evaluate the services being provided by the private company and the extension of the contract would be contingent on customer satisfaction.

And, Public Service Report Cards, of the type used in Bangalore, India, have proven particularly useful in giving citizens not only a viable voice in evaluating the quality of services but opportunities to report acts of corruption²⁰.

Reflective Opportunity

Take a few moments and think about Hirschman’s concepts of *exit* and *voice*.

What use might your local government make of the *exit* strategy in curing and preventing corruption?

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And, what use might your local government make of Hirschman’s *voice* strategy in curing and preventing corruption?

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Curing and Preventing as a Planned Change Process

The final conceptual framework we want to share with you is actually a treasure chest of tools for curing and preventing corruption—and it has a lot in common with other large-system intervention strategies designed to bring about change in complex settings like local government organizations and communities. Whether it is called *action research*, *organizational development*, *planned change*, or *appreciative inquiry*, the process incorporates a sequence of activities that are designed to help individuals, teams, organizations, and communities initiate and bring about successful changes in complicated settings.

These processes may have different names in different theories but they generally have common purposes: to know the present, to imagine the desired future, and to decide on ways to get there. The sequencing of the various steps in each of these processes, though presented in a logical order, need not be followed rigorously if events signal the need for deviation. At times, and for different reasons, it may be necessary to go back and forth between the steps or phases, or to skip some of them. These steps generate a cyclical process; once the cycle is complete, it should lead to another cycle, based on what has been learned and accomplished.

The following is an outline of the phases and activities we will be describing in much more depth in Part Three as a proposed approach to curing and preventing corruption in your local government and community. Essentially, the process includes:

- **Awareness:** coming to terms with corruption includes triggering events, wake-up calls, and even what we call urgent surgery—when the entrée into curing and

²⁰ Ibid, pp. 46-50.

preventing corruption in your local government take places in the emergency room.

- **Self-reflection:** understanding the motives behind your intentions to cure and prevent corruption in your local government and community.
- **Coalition-building:** selecting and recruiting your initial team of confidantes, what we have described as the *guiding coalition*.
- **Ground rules:** agreeing on standards of conduct and principles of operation, i.e. transparency, openness, feedback, concern—the corruption-curers version of the Hippocratic Oath.
- **Research, analysis, and planning:** collecting information and analyzing data to diagnose the situation and plan viable courses of action.
- **Mobilizing resources:** devoting time, material and human resources to get started.
- **Implementation:** progressing with your plan and conducting field tests to test your hypotheses.
- **Evaluation:** examining impact and the process of stabilization; assuring on-going prevention.

The process just described may give the illusion that half your time will be spent pondering rather than acting. This is, of course, not the case. Without a foundation to understand your motives and agree on standards of conduct and principles of operation—your efforts to cure and prevent corruption could be jeopardized.

Summary

We have explored, in this introductory part, a number of ideas and issues we believe will help you better understand the corruption curing and prevention territory you are about to enter. We have:

- Described corruption from different perspectives;
- Explored the use of the medical metaphor as a learning tool to better understand corruption and ways to cure and prevent it in local governments and communities;
- Looked at some specific challenges and opportunities that are inherent to the institution of local governance when it comes to curing and preventing corruption; an
- Described briefly some of the concepts you can use in your efforts to cure and prevent corruption.

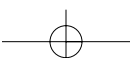
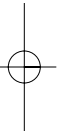
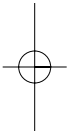
Part Three: *Putting the Basics to Work* lays out a series of deliberate events that are intended to take you deeper, and more confidently, into the process of curing and preventing corruption in your local government and community. This will take you from the conceptual to the pragmatic, as you think about planning a corruption curing and prevention intervention in your local government and community.

PUTTING THE BASICS TO WORK



PART THREE

PUTTING THE BASICS TO WORK



A PLANNED CHANGE APPROACH

*Never doubt that a small group of thoughtful,
committed citizens can change the world.
Indeed, it is the only thing that ever has.*

Margaret Mead
American anthropologist

The strategic approach for curing and preventing corruption in your local government and community is a five-phase process based on intervention and planned change concepts, which emphasizes learning-by-doing. This means, among other things, that the sequencing of the stages, and the steps within each stage can be moved around—within reason—to meet your needs and accomplish your goals and objectives. For example, in the linear, logical process we are presenting, you might skip a step if it is not needed. While certain courses of action may need to be field-tested before they become fully operational—most will not.

Alternatively, you may begin implementing a certain course of action and realize you need more information on the corruption source you are working to cure. In this case you might find your team shunting back from “Implementation” to “Diagnosis”. Or, you might switch steps in the process we are suggesting. One obvious switch might involve considering your “Guiding Principles” before you “Form the Guiding Coalition”. In other words, treat each of these various components, or activities, as sub-strategies that can be moved about based on your needs at the time.

Don’t worry too much about how we have allocated the individual activities under each phase of the intervention. While we believe them to be logical we also recognize that logic, like beauty, is often in the eye of the beholder. The challenge is to manage the inherent ambiguity of such a process-and not to be managed by it.

Finally, we will be using two “lonely hero” cases to explain the phases and intervening activities. By “lonely hero” we simply mean that one official took a decisive urgent-surgery-type action that triggered a series of consecutive actions. The explanation of each part of the overall planned-change strategy will be followed by a description of how it worked in the two lonely hero case situations.

Phase One - Coming to Terms with Corruption

Triggering Events

Efforts to deal with corruption in local governments are usually initiated by some deliberate *triggering event*—or they fall into the **wake-up call** category. Let's look briefly at these most common pathways to action.

Triggering events—that spark initiatives to cure corruption in local governments—can run the gamut of possibilities. More often than not, they start with the election of a new mayor, chief executive, or other key local elected official, or even a slate of candidates, who campaigned to “*do something about corruption!*” Triggering events can also occur when leaders who already know how ill their local governments are—in terms of corruption—patiently wait for some sparking event to happen, i.e. a national drug bust implicates middle management within the police force. Both levels (national and local) of government recognize they need leverage within their organizations, as well as the community, to launch this corruption-curing initiative.

Other possibilities include:

- Mass media reports on the state of local government corruption;
- A citizen's call for action;
- National legislation that mandates certain changes in oversight responsibilities;
- An opportunity to install new equipment or procedures in local government that can open a space for reform and greater financial scrutiny; or
- Complaints from a private firm potentially interested in locating in the community but not wanting to be hassled for speed money every time it needs a permit granted or a problem resolved through the local government. In other words: *clean up your act or we will locate elsewhere.*

Or, a deliberate dialogue by concerned elected, appointed and community leaders to change the conversation about the impact corruption is having on their local government, businesses, and citizens could be considered a *triggering event*. It could also be a *wake-up call* to those who are naive about what is going on in their local government and community. One person's trigger event is another person's wake-up call. It's a matter of perspective.

A few years ago, one of the authors helped evaluate the installation of a new computerized customs-income-tax-administration system in Sri Lanka that closed the door to significant opportunities for corruption. The new system probably would not have been initiated had it not been for the opportunity to get technical assistance from an international aid agency, and local government needs to be vigilant in taking advantage of these kinds of triggering events. Another trigger might come from a local industry threatening to leave town if they can't get assurances that the local government will do something about the “*hidden*” costs of doing business in the community.

Wake-up Calls

The next probable prelude to a decision to “*do something about corruption*” is the *wake-up call*. This happens when local government leaders, for whatever reason(s), aren't aware of just how serious the corruption illness is within their organization—until something dramatic happens to “*wake them up!*” Let's look at a couple of incidents that fit this initiating category.

The former Mayor of La Paz, Bolivia, Ronald MacLean-Abaroa, got his wake-up call when he drove into the city parking lot his first day on the job. Here's what happened—in his words.

“On September 13, 1985, I was sworn in as the first elected mayor of La Paz since 1948. I knew I would be facing a difficult task, but I never imagined how grave the situation was. I quickly discovered that I had better find someone to loan me money to survive into the next month, because my new salary was the equivalent of only US 45 per month. Not only that, I would find it almost impossible to form my immediate staff since they would be paid less. At the end of the day I boarded the mayor's vehicle, a decrepit 1978 four-wheel drive, to return home, wondering if I had not fallen into a trap from which it was impossible to escape, short of resigning from my first elected office.....

The next day I returned to my office wondering where to start my reforms. The four-wheel drive had broken down, and I had to drive to my work in my own car. While parking in front of the city hall, I noticed that there among the crippled vehicles were two conspicuously fancy cars. One belonged, I later learned, to a foreign expert working with the municipality. The other, an elegant sedan, belonged to the cashier of city hall. I had my first hints where the resources were.

The cashier was a fifth-class bureaucrat with a minimal salary who, I came to know, had the habit of changing several times a week which car he drove to work. He made no secret of his obvious prosperity. In fact he routinely offered loans to the impoverished municipal employees, including some of his superiors, charging a “competitive” weekly interest rate.

Fred Fisher took a job many years ago as a city manager in a small city, called State College, with a large university in its midst. His wake-up call happened the fourth day on the job when he returned from lunch and found his office filled with students.

“The group I found in my room included the president of a student organization representing more than 10,000 students who lived off-campus, the editor of the student newspaper, and a reporter from the University radio station.

They had come to greet me as the new city manager and to inform me that the city's chief code enforcement officer was corrupt. I asked, “Can you prove it?” The president of their association said, “Yes.” Then I asked, “How?” They informed me that they could take me to a large, old residential facility in the central part of the city that was owned by the chief code enforcement officer. I could discover for myself that it had multiple code violations and a housing certificate on the door signed by the inspector that certified that it met all the city's codes. And, of course, I would also discover that the permit had been signed by the individual they were accusing of being corrupt—a city employee under my direct supervision as the city manager.

Not knowing at this point in my short tenure who I could trust or not, I agreed to visit the site and carry out a joint inspection with them. I got a copy of the housing code and inspection sheet from the city engineer's office and walked with the student leaders to the site. Since the students knew the code's contents almost verbatim, they were more than happy to help me conduct the inspection. Between us, we documented 36 violations. It was a long walk back to the city hall as I weighed my options. I knew that whatever my decision, it would be in the next edition of the student newspaper. More importantly, it would define the ethical tone of my tenure from that point on—at least in the eyes of ten thousand students who lived in the community.



While we will be discussing data and information gathering and diagnosis under Phase Three, the process begins immediately when officials are confronted with corruption. In the cases we are discussing, the Mayor and the City Manager based their decisions—though taken quickly—on data, evidence, and an evaluation of its validity. In other words, they, in their management and decision-making roles, conducted a quick diagnosis. This is your first clue that the Phases and consequent activities are subject to potential shuffling around—based on the user's needs.

Urgent Surgery

Adversity introduces a person

To one's self.

The Floradale sage

Put yourself in the shoes of this young city manager, four days into a coveted job, and answerable to an elected mayor and eight councilors he hadn't even had time to get to know. The good news: students didn't vote since they were considered "temporary residents" by the city. The bad news: they were students, apparently well organized, and angry about the way they had been treated by the city government.

What would you have done in this situation? And why?

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I remember sitting in my office alone, after returning from the inspection tour with the student leaders, and having A wrestling match in my mind about what to do. Should I fire the chief code enforcement officer, reprimand him, or ignore the evidence until I had a chance to settle into the new job? After all, it was only my fourth day on the job.

Based on what I had seen and remarks from the leaders of the off-campus student population, I could only imagine that the state of much of the private housing for more than 10,000 students represented a formidable challenge. What if one of those structures caught on fire and several students became trapped and burned to death? Was this just the tip of corrupt activities within the organization? From a personal perspective, I tried to imagine what my moral and managerial authority would be to make future decisions if I turned my back on this opportunity. I also knew the incident would be front-page news in the next edition of the Daily Collegian.

It was a difficult decision... I had just moved to the city with my young family, had taken out a mortgage, and was in no financial position to lose my job. I entered the inner sanctum of my office, weighed all the alternative options I thought I might have and made two phone calls. The first was to the chief code enforcement officer, asking him to report to my office immediately. When he did, I told him what I had found, and fired him on the spot. Then, I called the mayor and informed him about my decision. For the mayor and the chief code enforcement officer, my actions carried out my message – I had decided to enforce the law.

In the case of La Paz, for the mayor MacLean Abaroa, of course, the stakes were much higher, as he describes them:

“

Later, up in my office, I developed a deep sense of isolation. Accustomed to working in the private sector, where I managed fair-sized mining companies, I was used to working with a team. In my newly elected post, there was nothing that resembled a team. All the people I found looked and acted more like survivors of a wreck than

anything else. The professional staff members were earning an average of about \$30 per month. Many employees were anxiously seeking alternative sources of income to take home. The degree of institutional decay was such that authority had virtually collapsed in the municipality. Everyone was looking to survive in terms of income generation, and therefore corruption was widespread.

The mayor quickly moved against the corrupt cashier:

“

In the city hall in 1985, the cashier was a mixture of Robin Hood and the godfather. He would loan money to employees and perhaps help them with illicit supplements to their meager pay. I was told that he even “advanced” funds to the mayor when, for example, an urgent trip came up and the usual processes for obtaining money were too slow. As I mentioned earlier, the cashier himself lived like a king. He was thought to be untouchable because of his services in the municipality and his excellent connections within the treasury of the nation.

I realized that it was necessary to give a very visible signal that the old order was over and that the new democratically elected authority was not willing to go along with corruption. The most conspicuous representative of the old order of corruption was the infamous cashier, whom we summarily dismissed to the astonishment and the not-very-timid opposition of many functionaries who assured me that the city couldn’t work without the almost “magical” powers of this cashier.

The cashier’s dismissal was the first of the many measures that followed, aimed at combating corruption.

At this point, both the Mayor and City Manager, in these wildly different situations on different continents, were dealing with untested scenarios of what might happen, given their limited knowledge of their organizations, staff, and other variables that could erupt, based on their decisions to act on the wake-up calls. They also recognized the negative potential consequences of not taking action.

And, they each decided to intervene with **urgent surgery, a radical transformational change**, by “frying a big fish” in each of their respective organizations in order to:

- Eliminate from the system the infectious point that could have blocked the curing efforts;
- Send a message to organization members and outside stakeholders about their determination to change the corrupt system;
- Establish a sense of urgency in order to gain support from all those who always wanted to do something about this illness; and
- Gain public visibility and promote transparency.



Regarding the option of “frying a big fish”, it is not the only example of Urgent Surgery—although it is probably the most obvious and dramatic. There are other fish-frying options. For example, the chief executive might make an urgent decision to cut a program responsibility from one department and transplant it into another. By doing so, she disrupts the flow of discretionary funds being used to buy influence over public decisions of consequence.

From your own knowledge and experience, you might want to think of a different example of **Urgent Surgery**—such as:

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Phase Two - Building a Guiding Coalition

This phase of the intervention process assumes you have either performed *urgent surgery* on an obvious corrupt condition in your local government—or you are aware that actions need to be taken to help the organization and community regain a state of well-being by eliminating key corrupting diseases.

Before you, as a local government leader, decide to undertake any large scale corruption curing and prevention planned change intervention, we suggest you do two things:

- Identify a core team of qualified key confidants and specialists, what we are calling your *guiding coalition*, individuals who would like to work with you on this difficult challenge; and
- Come together or coalesce around some key principles that are designed to guide your efforts.

To make this last task a bit more focused, we have identified a number of self-diagnostic questions that may be helpful in assessing your own readiness to undertake the challenge of curing and preventing corruption in your local government. Your reflections on these key issues may help as you begin to select members of your Guiding Coalition; consequently, we have inserted them before the team selection task.



Both activities in this Phase can be on-going events in the course of addressing corruption. For example, you will no doubt revisit your *Guiding Principles* from time to time to assure those involved in your corruption curing and prevention that the principles still apply and are of continuing importance. In many ways they are your compass, and a compass tells us if we are still on track. You may also be adding new members to your Guiding Coalition—and you will want them to understand the values and principles that are driving your initiatives to cure corruption.

Guiding Principles to Consider Before You Begin to Plan Your Intervention vis-à-vis Corruption

The decision by you, or any other elected or appointed local government leader, to undertake a planned intervention to cure and prevent corruption in your body politic and its immediate environment, the community, is one of the *most important and difficult decisions you will make in your tenure as a local leader*. Depending on how deep your intervention treatments and cures will be, they could have an effect on not just the particular illness you want to treat but the rest of the organization and community—and your tenure as leader. Here are some of the things to consider before going further.

Why do I want to intervene?

What is motivating you as a local government leader to take the plunge into corruption with the intent of curing it and preventing it in the future? Is it because you want to take political revenge on those who left you with this mess? Or, is it because you find corruption morally offensive to your personal values? Or, is some other emotional reaction driving your actions? If so, back off a bit and ask yourself if this is the way you would like your physician to act if you came to her with a drug addiction or socially contracted disease, and she decided to take revenge on your behavior rather than the disease? An emotional response may not be the most productive.

Fortunately, there are many plausible and important reasons why you should intervene. Corruption can be debilitating to your local government and community. Like any disease, it can

sap your local government's energy—its ability to perform effectively and efficiently those functions essential to the wellbeing of your community. Corruption can be expensive in monetary and non-monetary ways. It diverts local government and community resources away from intended uses and distorts the governing mechanisms that have been established to serve the public good. It's like having an open wound that never heals.

In non-monetary terms, corruption can erode public trust in the ability of local governments to represent and serve citizens. It can build barriers between local government and citizens—and even between those officials and employees who serve local government. It can undermine the ability of many employees to perform their roles and responsibilities effectively, whether they are police officers, inspectors, or those who perform administrative duties. It destroys the political will of local government to serve citizens without prejudice—and corruption undermines the authority the public has vested in you and others.

Do I really understand what is causing corruption in my local government and community?

The authors of *Corrupt Cities* say “*corruption is a crime of economic calculation*”. If the public employee assesses the probability of getting caught as small and the penalty mild, while the payoff is relatively large, there is a tendency to engage in corruption. Many public employees are underpaid may therefore respond to the opportunity to make some additional money to pay school fees or medical bills. Is it possible that some public employees see *corruption as a way of meeting economic necessities*?

Corruption doesn't just involve public sector employees “fiddling with the books or “putting their hands in the till”. In fact, these infractions are often the easiest to cure. Corruption also involves private citizens who buy influence and advantages over their competition in a myriad of ways—of course, working through the public governance process and pliable and willing public officials. For example, influencing the rezoning of their property to a higher valued use—or assuring that bid specifications on a piece of expensive equipment are altered to eliminate the competition. In other words, many crimes of economic calculation pertain to public-private ventures designed to benefit both parties.

The Center for International Private Enterprise (CIPE), an affiliate of the U.S. Chamber of Commerce also sees corruption in economic terms, describing it within the framework of economic supply and demand. Corruption is an interactive process between those who want something and those who are in a position to provide it. According to CIPE, “*looking at corruption as an economic issue means that corruption is more than simply a wrong behavior. It means that corruption, while benefiting a few individuals, is costly to society, the private sector, and governments in the long run*²¹.”

Their report goes on to give a number of convincing reasons why corruption must be rooted out. These reasons have everything to do with the managerial effectiveness and efficiency of your local government and your leadership role—and very little to do with taking political revenge or punishing transgressors of the public ethos.

In your diagnosis of various common and key corrupting ailments in your local government, we also suggest that you explore the CIPE notion that corruption often falls within the economic framework of supply and demand. As a public leader, it is important to better understand both the cause and effect of public corruption before getting too deep into diagnosing your own local government's corrupting ills—and planning a course of action.

²¹ Sullivan, John and Aleksandr Shkolnikov, p.2

Have I done a comparison of CIPE's Supply and Demand concept with Corruption's DNA as described in *Corrupt Cities*?

There is a direct connection between CIPE's notion of *supply and demand* and the *Corrupt Cities* definition of corruption—and it's important to compare them before moving on. If you remember, the *Corrupt Cities* authors defined Corruption as the function of Monopoly plus Discretion minus Accountability ($C = M + D - A$). We've deliberately labeled this formula as corruption's DNA to highlight its importance and its unique makeup.

Here are two examples of how CIPE's supply and demand definition coincides with Klitgaard's DNA formula:

- The city issues licenses for gaming casinos and the **supply** of licenses is limited and the **demand** great. The city has the monopoly and discretion to grant the licenses but accountability is missing. Guess what? The firm that funded the Mayor's re-election campaign just happens to get the license.
- Equally frequent in **supply** and **demand** corruption opportunities is the control of land use – or zoning. Land is obviously a short supply item in most municipalities while demand is great—particularly for land zoned as commercial or industrial. The municipality has the monopoly and the discretion to zone land and control land use. The demand is great and accountability regarding the discretion to rezone parcels is missing. Voila! The second cousin of the Chairperson of the Zoning Board is granted approval for a zone change on a piece of property he owns even though it is in violation of the city's comprehensive land-use plan.

Reflective Opportunity

We've provided examples of how supply and demand and the DNA of corruption ($M + D - A$) works in combination. Take a few minutes and jot down some of your own experiences where you believe supply and demand can link up with $M + D - A$ to support corruption in your local government or community.

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Do I really understand and appreciate what it means to make a planned intervention, like curing corruption, in my local government organization?

We mentioned the term "intervention" in our introductory remarks about the strategy we are proposing to cure and prevent corruption. By intervention we mean *"the deliberate process of delving into existing systemic relationships and activities within your local government organization and community with the goal of achieving carefully planned and implemented changes"*. Not everyone will embrace these changes quickly or willingly. As you think about intervening into your local government's on-going operations to cure and prevent corruption, you might want to consider the following:

- What are the potential risks and rewards of making such an intervention—the political, social, organizational, and financial consequences?
- What will be the leadership, managerial, and employee demands, both short-term and long-range, in taking on this planned-change initiative?
- How deep and extensive do you think the intervention will need to be to cure some of the most corrupting practices in the organization?
- Who will be the "winners and losers" in the process?
- And, how will you define and measure success?

As the Mayor of La Paz, and the City Manager of State College, soon realized, some of those early dialogues can be more like monologues. As Mayor MacLean-Abaroa describes the “wake-up call” monologue, *“At the end of my first day, I returned home, wondering if I had not fallen into a trap from which it was impossible to escape, short of resigning from my first elected office²².”*

For the Mayor, of course, the stakes were much higher. As MacLean-Abaroa describes it, *“the degree of institutional decay was such that authority had virtually collapsed in the municipality. Everyone was looking to survive in terms of income generation, and therefore corruption was widespread.”*

The City Manager, based on what he had seen and on remarks from leaders of the off-campus student population, could only imagine that the state of much of the private housing for more than 10,000 students represented a formidable challenge. What if one of those structures caught on fire and several students became trapped and burned to death? Was this just the tip of corrupting activities within the organization? From a personal perspective, what would be his moral and managerial authority to make tough decisions in the future if he turned his back on this opportunity, knowing the incident he just experienced would be front-page news in next morning’s *Daily Collegian* (The student newspaper)?

“Disasters caused by corruption are routinely reported by news agencies: the death of 17 immigrants in an early morning fire in a sub-standard tenement house in Paris. It was the second such fire in four months. The earlier fire killed twenty four residents. The death of 14 people and the injuries suffered by other 107 when a building, which was under construction, collapsed in Nairobi’s Central Business District. The potential for such disasters are real.

But, let’s get back to your situation. If you decide to act on corruption, either alone or with your guiding coalition, you are immediately confronted with the decision of how far and how deep to go in your efforts to cure corruption. Roger Harrison, one of the pioneer researchers on human enterprise interventions, has some sage advice on this issue. He advises intervening at a level no deeper than:

- required to produce enduring solutions; and
- the level to which the organization can commit energy and resources to problem solve and produce changes in the levels of corruption²³.

Let’s look briefly at these intervention challenges. Harrison uses the term *enduring solutions* which we suspect may have short shelf-life in local governments. Certainly, this was the case in La Paz where corruption re-emerged after Mayor MacLean-Abaroa’s departure. In State College, the housing solutions endured, but the problems were more focused and limited in contrast to the La Paz experience.

If the intent is to both cure the existing ailment and prevent its reoccurrence in future, then it may require policy, organizational, procedural, personnel, and other changes that can endure over time. This may not be possible in the short run—so a remedial cure may be your only short-term option. Of course, support from others in the planned change generally increases when they are involved in both decision-making and implementation. This leads us to the next question you need to ask yourself.

²² Klitgaard, MacLean-Abaroa and Parris.p.5.

²³ Harrison, Roger, *Choosing the Depth of Organizational Intervention from Intervening in Client Organizations*, Alexandria, VA. American Society for Training and Development, 1992, p.68.

Do I need to involve other local government officials and employees and community leaders in decisions about curing and preventing corruption?

There is a tendency on the part of many leaders and managers to guard their decision-making prerogatives closely, particularly if they are directly affected by the decisions. Let's look at an extreme example of a questionable decision-making practice, and the potential consequences.

One of the authors was involved in conducting a management development program on *Performance Management* with the management and supervisory staff of a large Middle Eastern city. In a briefing with the senior management team just before the program started, he learned that an international consulting firm had just completed a major management study for the city. Their report, which was about to be revealed, recommended the implementation of more than 2,700 performance-measuring indicators based on specific work practices.

Since the management development workshops were to focus on performance management techniques, the consultant saw these indicators as an important learning opportunity. He would be able to link the concepts of performance management to the system of performance measures being implemented. However, the training consultant was told that **under no circumstances** should he mention the report since the supervisors had not been involved in developing the indicators and had not yet seen the report. The performance indicators had been unilaterally developed by the experts with little or no consultation with the managers and supervisors who would be responsible for implementing them.

While most of the supervisors knew about the forthcoming report, they had no idea what was in it. The supervisors had been asked to provide information and data on what their work units did, and how they did it, but were not consulted on how the performance of their work should be measured. When the report was made public, they were furious! Only then did they discover they would be held accountable for implementing more than 2,700 performance measures. As a result, the city's elaborate performance system failed.

Consultation and Involvement are Essential to Planned Changes like Curing and Preventing Corruption

It has become conventional wisdom that decisions are better when those who will be responsible for implementing them have input. This doesn't deny the need for many initiating decisions to be made unilaterally, but decisions need to be backed by judgment and as much information as possible to justify each action. When you have the time to consult with key officials and employees, and to take their ideas and concerns into account in making decisions, it probably increases the potential success of corruption curing and prevention interventions. The same applies to citizens if the corruption involves them in any direct way.

Let's explore this last statement a bit further before we look at the task of forming your guiding coalition. Let's suppose that you as a local leader decide to intervene in the practices of police officers taking bribes to forgo writing tickets for various traffic violations. The public can be very useful in diagnosing some of the particulars of such crimes, e.g. when and where they happen, the precise violation or alleged to be violation, etc. The public is also important in helping to both cure and prevent these types of corrupting influences in the future. After your intervention to stop the practice and the local government's openness to consult about it, citizens will know they can call and report incidents. More importantly, citizens will know that offering a bribe, or being subjected to a police officer soliciting it, are behaviors that are no longer condoned by local government. Awareness is the first criteria for seeking compliance.

We mentioned earlier the need to consider when such consultations and engagements with citizens and employees should take place. Unfortunately, there are no set formulas or guidelines that will give you these answers. The best advice is to act with judgment and

fairness in seeking their potential involvement; and be prepared to engage them to their full potential when the time seems right.

In summary, we suggest you take some time to think about these four interrelated questions regarding the curing and preventing of corruption before you decide to act beyond the "urgent surgery" stage.

- *First*, why do you want to do it? In other words, what is motivating you to take action?
- *Second*, do you understand what corruption is all about, i.e. it's DNA?
- *Third*, do you understand some of the basics of intervention theory and practice enough to feel confident about making it the core of your operational strategy to cure and prevent corruption?
- *Fourth*, do you have a better appreciation of the need to involve others in your interventions to cure and prevent corruption in your local government and community?

We also believe these queries could form the basis of one of your first discussions with those individuals you select to be members of your initial Guiding Coalition. If you do decide to make these four points a matter of group discussion, you might want to consider the dialogue process. It's a great way to explore issues where depth of understanding is critical to making appropriate decisions. Decisions often improve in both quality and implementation through deliberate and early dialogues.

Forming the Guiding Coalition

None of us are as smart as all of us.
Japanese proverb

John Kotter, in his book *Leading Change*, talks about the importance of putting together a small group of individuals with enough power, influence and knowledge to lead any major change. He calls this group of individuals—the *guiding coalition*²⁴. In terms of curing and preventing corruption in your organization—and picking your guiding coalition—there are many things to consider. First, who are the valued few you can trust beyond any doubt and that you want as members of your guiding coalition? Given the corruption challenge, what unique qualities, insights, experience, and skills do they have? Will they have the will and the courage to stay the course--recognizing that curing corruption can be a long and arduous process? And, how far are you willing to go to involve the organization's workforce in helping you identify and cure major sources of corruption in your local government organization? Your "guiding coalition" will probably need to expand to accommodate the scope of your challenge—and include individuals who are intimately familiar with the corrupting diseases you plan to cure.

Assembling an Effective Guiding Coalition

We return to our two case studies on La Paz and State College because they illustrate some of the challenges in forming the initial guiding coalition and expanding it as required. First, let's look at the La Paz situation and the challenge of reaching far afield to find the first coalition member.

La Paz

Mayor MacLean-Abaroa, realized he didn't have anyone in the organization he could trust in his efforts to take on corruption. As a result he initially turned to an outsider, a valuable advisor who helped guide him and the organization through a successful transition. We have used the word "trust" deliberately and want to expand on what this means in terms of selecting members of a guiding coalition, particularly in terms of efforts to cure and prevent corruption.

²⁴ Kotter, Chapter 4: pp. 51-66.

Trust, according to management specialist Roy Lewicki, *is confident positive expectations regarding another's conduct (words, actions and decisions), and a demonstrated willingness to act on the basis of his or her words, actions and decisions*²⁵.

The former Mayor of La Paz was concerned about not only trust but competency in mobilizing his initial team. With these criteria in mind, he hired Robert Klitgaard, a well-known corruption scholar and practitioner, to help formulate and implement their soon-to-be successful effort to cure major sources of corruption within the city organization. Klitgaard was not just a hired consultant; he was also a member of the Mayor's *guiding coalition*.

Hiring external consultant-experts is a legitimate staffing mobilization strategy and one you may want to consider. As an outsider, the consultant can bring a new and fresh perspective. More importantly, she should bring skills, knowledge and experience to complement and extend your local government's competencies. The external consultant should be more objective and less "entangled" in the everyday politics of the local government's organization.

The major disadvantages of hiring an external consultant are cost, availability, and the potential that the consultant will either not have the competencies required in this difficult assignment or may not be compatible in working with the Guiding Coalition. The external consultant will need to be on a fast learning track to comprehend the socio-political environment of your local government. This will take time and you will need to allocate resources—time and compensation—in recognition of this need.

State College

In State College, the city manager also didn't know who to involve immediately but had no reason to suspect that others in the organization had been corrupted by the chief code enforcement officer's self-serving actions. As you may recall from the earlier discussion, the city manager, after firing the officer, called the mayor to inform him of the decision. The mayor was shocked but didn't question the manager's action since it was clearly within his authority to make this decision. Nevertheless, he warned the manager there would probably be a lot of backlash since a few elected officials and many citizens in town owned properties they rented to students.

The backlash was swift—particularly from two elected councilors who owned a large number of structures that were in violation of both local and state housing and rental codes. The longer term consequences involved the destruction of 27 large rental properties in the central part of the city that were financially and structurally beyond restoration—and 550 others that were unable to meet all the code requirements to obtain occupancy permits. As a result, over 2,000 students were unable to find housing at the beginning of the academic year. But this was two years after the firing. It took that long to build the guiding coalition and complete the clean-up. Even a relatively benign corrupting situation like the one in State College can take time to resolve.

As the city manager gained the confidence and understanding of the Mayor, other elected officials, the city engineer, and members of his staff responsible for code enforcement, they became the initial members of his *guiding coalition*. He eventually invited others from the community to join his guiding coalition. They included a media representative (to help inform the public about what was going on and to get advice on how to more effectively reach out to the community), officers of the student association that initially brought his attention to the corrupting practice (since they had first-hand knowledge of the situation and could keep their members informed about what the local government was doing to respond), and a member of the realty board who represented many of the property owners who felt aggrieved by the decision but were essential if the code violations were to be resolved amicably.

²⁵ Lewicki, Roy, Trust and Distrust: new relationships and realities, *Academy of Management Review*, July, 1998, available through www.findarticles.com

Finally, your coalition should include those with knowledge and understanding of the source of the corruption you are attempting to cure. In the State College case, the manager decided to include the City Engineer and his remaining code enforcement officers on the team.

Guiding coalition members aren't always accountable when you need them

In the State College student housing dilemma, one of the key coalition members was outside of the direct control of elected officials and their professional management team. It was the state (provincial) government. (Incidentally, coalition members can also be organizations.) The Pennsylvania Department of Labor and Industry was responsible for enforcing the state fire code, which covered such building fixtures as fire walls and doors, and external fire escapes. The lack of these safety improvements, in most of the older buildings converted to multi-unit housing facilities, were among the critical violations.

Neither the central or local leadership of the Department were willing to cooperate with the city, primarily for political reasons. Since the city had no means outside of political persuasion to get the department to be a member of the guiding coalition, the implementation of a comprehensive enforcement program was delayed. It wasn't until the city manager helped orchestrate the firing of the code enforcement that the program was able to move forward. The mobilization of your guiding coalition's core management team can sometimes be problematic or time-consuming.

Every Guiding Coalition is Different

These two experiences may provide insight about the kinds of individuals you might want to consider in putting together your guiding coalition. However, your circumstances may require a different mix of officials and individuals and may include those who are not directly involved in your local government. Let the circumstances be your guide—and keep in mind that selecting your guiding coalition is one of your most immediate and important decisions as you move forward. We have included a tool on doing a stakeholder (guiding coalition) analysis to help you think more operationally about the formation of your guiding coalition.

Getting the right individuals to join your guiding coalition is an important step in the intervention process; building an effective team is the other. This means:

- Shared expectations and values about corruption and how to go about curing and preventing it;
- Setting some ground rules on how you plan to operate as the guiding coalition;
- Assuming useful roles and responsibilities, based in part on the skills, knowledge and experience you bring to the coalition; and
- Learning how to work as a team.

Building the Guiding Coalition into a Productive and Committed Team

Developing members of your guiding coalition into an effectively functioning team will be important if you want them to serve you effectively in your efforts to cure and prevent corruption. Unfortunately, teams don't just happen; they need to be developed. Let's look at some of the characteristics of an effective guiding coalition team with a focus on providing leadership to your local government's corruption curing and prevention initiatives.

- **Clear purpose:** Whether you call it the vision, goal, or task of the team, the fundamental rationale for the guiding coalition team's existence needs to be clear, understood, and accepted by all concerned.
- **Informality:** The working environment of the team is informal, relaxed, open, and mutually supportive.

- **Participation:** There is a high level of participation by all members.
- **Open communication:** Team members feel free to discuss both tasks and relationships openly with each other.
- **Shared leadership:** While most teams have some kind of formal leader, and this might even be more evident with this particular team, the leadership function may shift among the members depending on the situation, the needs of the team, the skills of the members, and the task at hand.
- **Consensus decisions:** This means a process for making important decisions where there may be substantial but not necessarily unanimous agreement.
- **Civilized disagreements:** Effective teams have disagreements and expect them, particularly in the area of corruption. They don't avoid them, smooth them over, or suppress them.
- **Clear roles and responsibilities:** Effective teams have clear expectations about individual roles and what is expected of each other.
- **Style diversity:** Effective teams have individual members with different strengths and skills which in combination complement each other's contributions.
- **External relations:** The team doesn't work in isolation of its environment. It spends time developing key relationships, mobilizing resources, and building credibility with local government agencies and the community.
- **Self assessment:** Team members stop from time to time to examine how they are working together and use the information to improve their performance²⁶.

These are fairly standard criteria for developing and assessing the performance of an effective team, whether it is operating in a volatile public environment, such as we are discussing, or within a large corporation that has a profit motive.

Reflective Opportunity

Assume that you have been given responsibility to head up a local government task force on corruption in your city and community. It is generally known that a lot of petty corruption exists (speed money, fixing of traffic tickets, etc.) but little is known about the exchange of high level favors between developers and zoning authorities, the letting of large construction projects, and other more "expensive forms of corruption" in the city—although there is evidence that these exist and are a serious problem. The task force is expected to make a comprehensive report to the governing body on the extent of corruption in the city and give recommendations to cure and prevent the corruption in the future. You have also been given free rein on selecting members of your task force—your *guiding coalition*:

Who would you invite to be a part of your initial guiding coalition?

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What criteria did you use in deciding on these particular individuals?

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Given the makeup of your team, what challenges will there be in having them work as an effective team?

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²⁶ Parker, Glenn. *Team Players and Teamwork*. San Francisco, Ca: Jossey-Bass Publishers, 1991. p.33.



Caveat Emptor

Let the reader of this manual beware! There is an old principle in commerce that dates back to the year 1523—and seems applicable here. *Caveat Emptor* in 16th century terms simply means the buyers (in this case the readers) are not guaranteed a warranty, and therefore take the risk of achieving success in curing and preventing corruption upon themselves.

Corruption in local governments is sometimes induced, supported, encouraged, and even protected by forces in higher levels of government. Given these external forces, it's entirely possible that the curing and prevention measures we are prescribing in this Guide may fall victim of circumstances far beyond the control and influence of local governments and communities. Let the local physicians of corruption beware. Like the bird flu, corruption can flow across your local government borders on swift wings in the darkest of nights. To those brave individuals, organizations and communities that seek to adopt the principles, strategies and tools provided by this four-part Guide, we say *Caveat Emptor*.

Phase Three - Diagnosis and Planning

Diagnosis or the Art of Problem Identification

Corruption can be simple to find—or incredibly difficult to unearth—in your organization and community. Some corruption practices are of the blatant, in-your-face kind. Others have been hidden by layers of deception and intrigue. Just when you think you have found the problem and are about to pounce on it, you discover it is just a symptom of something more significant. Finding sources of corruption and analyzing them—so you understand them and act with confidence to cure them—can be challenging.

It is in this step in the planned change process that the medical model and analogy we have been using to describe the curing and prevention approach to corruption is so powerful. Put yourself in the shoes of your family physician. You have gone to her for help. Since there are so many scenarios about why you have checked yourself into her care, we can't possibly discuss them all. Given this, we have selected a few to illustrate our point.

The first scenario is simple. You have broken your arm. She administers a pain killer, sets it, puts a cast on it, and sends you home. The second scenario is a bit more complicated. You have contracted a sexually transmitted disease but are unwilling to tell her exactly what is wrong and are hoping that some treatment she recommends or applies will help. Local governments do this all the time when it comes to corruption. They know they have "it" but aren't willing to talk about it and do all sorts of things to either hide it, or—if a bit more diligent—apply treatments that may help without actually admitting there is a problem.

The third scenario is more promising—from the perspective of planned change. And, it involves at least two sub-scenarios or plots. The first is to say to your physician, "*Could you come and observe me for a while and help me analyze my condition and help me overcome it?*" In planned change-organization development-action research circles, this is known as hiring a consultant or facilitator to help you in your curing and prevention ventures. This is what the Mayor of La Paz did when he asked Robert Klitgaard to help him. And Klitgaard, who worked at a teaching university, asked some of his students to join him in conducting various diagnostic studies. This is a legitimate option and many local governments elect to exercise it. However, there is also the self-administered, home-remedy approach. That's the other sub-plot.

In other words, you have gone to your physician and said, *“We know something is wrong with the health of our body politic. Although we aren’t sure what it is exactly—or how serious it might be—we think we can cure it with a little friendly advice. Could you provide us with some ideas on how to carry out the diagnosis—to plan a course of action and mobilize resources to implement them?”* Of course! Let’s start with identifying, through an honest and open process, what you think are your problems—and hopefully through a process of analysis we will determine what the real problems are.

Identifying the Areas of Intervention and the Corrupting Problems

Just to make this more realistic, we are assuming that your local government and community may have more than one corrupting ailment. As *“Corrupt Cities”* tells us corruption in local government can be as varied as its activities. Some examples include:

- Subsidized housing policy implementation diverts resources from those in need toward those who pay bribes;
 - City contracts are given to unworthy firms based on bribes or family relations;
 - City police or inspection departments disregard criminal offenses or violations of safety, health and other rules, in exchange of money;
 - Public property is mismanaged and used for private gain;
 - Permits and licenses are provided for speed money or purchased against legal norms;
 - City services are available only for those who pay bribes; or
 - Zoning and infrastructure investment decisions are made for private gain.
- The list is virtually endless.

Given this, you may have several problem-finding activities going on at once and you will need to identify and prioritize the areas of intervention before going more deeply into problem analysis.



One tool to identify areas of intervention is the one we have mentioned earlier. It’s the formula from *Corrupt Cities*: **$C = M + D - A$** . **Corruption** is the result of certain *power monopolies* in your organization (inspecting, issuing licenses, purchasing goods, enforcing laws) in the hands of *people having discretion* to use their exclusive powers as they choose, particularly if there is *no, or very weak, accountability*.

In order to prioritize these areas of intervention, it is important to have a list of all the main activities/functions of your local government and ask a lot of questions about them. Here are a few questions that most mayors, chief administrative officers, and elected bodies should focus on, together with their Guiding Coalition members.

- **How urgent or time critical is it to find a solution to the corruption problem in the respective area of the local government activity or function?** A problem is urgent if it requires immediate action to avert a crisis. In each of the cases we have been following, the problem was urgent in some of the local government functions. La Paz was paralyzed by rampant, systemic corruption, while many of the university students in State College were living in sub-standard housing with serious fire code violations.
- **How important is it to find a solution to the corruption problem in the respective area of the local government activity or function?** When it comes to curing corruption, this is a difficult question to answer—but a very important question to ask. Unfortunately, there are no easy answers. The corruption problem could be important because it has negative impact on a large number of citizens, or on especially vulnerable groups; or is important because it causes the biggest hemorrhage of public money and saps local government resources.

- **How feasible is it to solve the corruption problem in the respective area of the local government activity or function?** Sometimes it is better to start with more feasible treatments, focusing on areas where corruption is contained and can be more easily cured. Feasibility is a localized concern, based on the complexity of the corruption, the potential for political retribution, and other factors that are quite different from those associated with a less volatile query like, “Will it be feasible to build a by-pass around the city?”
- **Is it within your control to solve the corruption problem in the respective area of the local government activity or function?** The various sources of power that local governments have at their disposal generally put them in control of most of the resources needed to cure corruption.
- **Are you and your guiding coalition willing to make the personal commitment required to cure corruption within your local government organization and community?** We are talking about the political will to “bite the bullet” on what could be one of the most contentious and time consuming endeavors you will take on within your local government service.

Within your selected areas of intervention you will need to identify—with more precision and detail—the corrupting problems. Actually you should also “validate” the first results of your diagnosis.

The criteria we like to use in assessing the correct definition of a problem are the three “Cs”. Is the problem definition:

- **Clear?** Have you described your problem so that subordinates in the public works department, members of the chamber of commerce or of the government watchdog committee, would understand it?
- **Concise?** Were you brief and to the point?
- **Complete?** Did you leave out anything important in describing your problem?

One of the problems the physician encounters in curing ailments is the difficulty of finding the real problem. Often problems are masked in symptoms. You may have a toothache but the real problem is a brain tumor. Pulling the tooth may provide temporary relief while you eventually die from the tumor. It is important to do what the physician does; that is, ask a lot of questions. For example:

- What are the symptoms of this corrupting ailment? Any others? More...?

Once they get by the *symptom stage*, they ask questions like:

- **Why** is this ailment a problem (what are the causes)?
- **And, why** do you think you need to solve it (what are the consequences)? (Elementary questions—but not always asked openly.)
- And, of course, **where and when** does this condition exist?
- Who else does it infect?
- And, **what would happen** if you ignored it?

We return to the State College case to see how the formula and the diagnostic questions we just posed apply. Fred was confronted with the evidence that the chief code enforcement officer, who was responsible for managing a *monopoly* (housing inspections), obviously had a lot of *discretion*. It extended to the point where he approved his own property that was in violation of the very regulations (source of the monopoly) he was responsible for enforcing. Obviously, he wasn’t being held *accountable* by those who supervised him—or by the organization that established the monopoly.

According to Klitgaard and others, this meets all the pre-conditions for breeding corruption.

Fred had diagnosed the existence of corruption with the help of a number of diligent and concerned students (a citizen watch-dog group). If you recall, he confirmed the corruption through more data collection, i.e. property inspection and property ownership, and then performed *urgent surgery*. He fired the inspector. Of course, the problem identification didn't end there. More information was needed before he could move from problem finding to problem solving. Let's look at that aspect of the planned change process.

Between problem/corruption identification and problem/corruption solving are several other important steps.

In Fred's case, in order to determine whether he had a problem that extended beyond the one property, he had to examine several layers.

- **How extensive** was the problem? In our case study about State College, the student representatives were able to confirm that many properties had been approved that did not meet the code requirements. Data collection from spot inspections verified this.
- **Where** was the problem? It was not discriminating. Housing units all over the city were in violation and yet approved for rental by the code enforcement officer.
- **How long** had the problem existed? At least as long as the recently incumbent inspector had abused his discretionary powers.
- **How serious** was it? Problematic for many students but potentially catastrophic for the city if lives were lost in an accident attributable to local government negligence.

These are the kinds of questions that move you toward resolving problems like corruption, in order to commit local government funds and resources to cure them.



Don't Kill the Messenger

In the State College scenario, none of the public officials pursued the punitive aspect beyond firing the chief inspector. They didn't try to punish property owners who were in violation, or to determine if they had paid bribes, and to whom. Their attention was focused on how to build more discretion and accountability into this monopolistic power so that its functions could be carried out responsibly and effectively. After the initial firing, the process focused on policy and management rather than on punishment or prosecution.

This was also the case in La Paz, though corruption often enters within the realm of those who want to judge and prosecute. These can be important alternatives, but they may also distract attention or divert resources from more positive and long-lasting solutions. The emphasis should be on cure and prevention—not merely on punishment.

Is Curing Corruption a Priority with Your Local Government and Community?

Many of the questions we just posed will help you make incremental decisions about curing corruption in your local government and the community. But the answers you get may not satisfy the central question in any prolonged effort to both cure and prevent corruption. Is it a priority—and will it continue to be a priority—with you, other local government leaders, your employees, and, of course, the citizens of your community? As the mayor of La Paz found, corruption tends to grow back without constant and sustained vigilance.

The authors of *Corrupt Cities* talk about the challenge of “*breaking out of the culture of impunity*” where citizens, and employees often see themselves as being above the law. The existence of a culture of impunity is one of many factors that may provide an answer to the question of priority. If your community has developed such a culture, the priority will be to “break out of it.” If your local government and community are fortunate enough not to have developed such a culture, the priority will be to see that it doesn’t take root.

Those who contemplate the virtues and realities of bringing about planned changes in their organizations and communities often assess the potential for achieving success by looking at two fundamental factors: importance and urgency. When dealing with corruption in local governments and communities, it is helpful to apply these two criteria. While it may be important to cure a particular ailment in your local government—it may not be urgent. On the other hand, curing another particular ailment could be seen as time critical—but not important. Of course, some forms of corruption are both urgent and important. These become important criteria when dealing with the next step—deciding on what you will do, and when.

Deciding on Courses of Action

After finding various corruption problems in your local government and community and analyzing them, it’s time to decide on various courses of action. We say various *courses* since your local government may be pursuing more than one at the same time. For example, you might be developing a new set of procurement regulations while also purging your payroll of ‘ghost’ employees.

Nevertheless, within each of these sub-strategies of curing corrupting practices it’s important to:

- Narrow your options about what to do to one priority action or combination of actions;
- Look at the potential consequences when you take them—thinking about short- and long-term impacts; and then
- Develop a plan to mobilize the necessary resources in order to implement the best action or combination of actions.

This is the stage in the planned change process when you and your guiding coalition decide **who will do what with whom, within what timeframe and with what resources, and determine how you will know your plan has been successful.**

Before going any further, it may be useful—even essential—to think about the complexity of curing and preventing corruption in your local government and community in two stages: *short term and long range.*

For example, your short-term strategy might be to focus on curing current corrupting practices and behaviors—and your long-term strategy on how to prevent these practices and behaviors from re-emerging. Of course, it may be difficult to separate the two timeframes and functions but it should help to think in these dimensions. Also think in terms of importance and urgency.

Earlier, we included a discussion about appropriate change strategies based on two factors: time available and key stakeholders. It’s time to look at that specific conceptual map in terms of deciding on a course of actions. It is equally germane when you think *about mobilizing resources.*

A Closer Look at the Time and Stakeholder Equation

If time is not a factor in making a decision on a course of action, aside from doing nothing, you basically have two choices:

One: If you have potential positive stakeholders and you know the environment is supportive of change, then you might want to think about **inclusive collaboration** in making your decision about the course of actions or resource mobilization.



Inclusive Collaboration Example: You have just been elected as Mayor on an anti-corruption ticket by an overwhelming majority; a poll of the members of the municipal employee union indicated that a majority of these critical stakeholders voted for you; and you don't have to make any critical decisions immediately. Given these conditions, you probably should seek as much collaboration within the organization and community as possible in curing corruption and establishing prevention programs to assure that the corruption doesn't grow back.

Two: If you have potential positive stakeholders and you know the environment is not supportive of change, then you might want to think about basing your decision on a few strategic alliances.



Strategic Alliances Example: You have just been elected as Mayor on an anti-corruption ticket by a very slim margin; a poll of the municipal employees indicate they are skeptical that you can do anything about corruption; and you realize you don't have to make any critical decisions immediately. Given these factors, you should probably base your corruption curing decisions in consultation with those few strategic alliances that helped you get elected.

If, on the other hand, time is critical and you are pressed to make a decision on a course of action, or on organizing and mobilizing the necessary resources to implement action, you also have two choices (no—doing nothing is not one of them):

One: If you have potential positive stakeholders and you know the environment is supportive of change, then you might want to think about strategic consultation in making your decision.



Strategic Consultation Example: You have just been elected as Mayor on an anti-corruption ticket by an overwhelming majority of citizens; a poll of the members of the municipal employee union indicated that a majority of them voted for you, and they expect you to make some important decisions immediately on key corruption issues—or they will quickly lose faith in your ability to govern this mess. Given these parameters, you probably should call a series of consultative work sessions with key union officials and members of the business and NGO communities to map out your plan of action over the first three months in office.

Two: If you have positive potential stakeholders but you know the *environment is not supportive of change*, then you might want to think about basing your decision on **legitimate power and authority**.



Legitimate Power and Authority Example: You have just been elected as Mayor on an anti-corruption ticket by a very slim margin; a poll of the municipal employees indicate they are skeptical that you can do anything about corruption; and you just learned that your director of finance is involved in a major scam to divert revenues from the sale of excess property to an off-shore account. Given these 'screaming' messages, you should definitely act immediately, based on the legitimate power and authority vested in your office as the local government's chief executive. Grab the police chief, rush to the director of finance's house and have him arrested before he flees the country. While the police chief is reading him his rights—fire him! As an astute politician, you also call a press conference and give the police chief a major share of the credit for this major corruption-busting event.

These choices are based on some principles of planned change we talked about earlier: widespread consultation and participation; practical and direct actions; and being sensitive to the environment within which you are making decisions.

Mobilizing Resources

Some would argue that mobilizing resources (or marshalling resources for action) is part of implementation and shouldn't be set apart from implementation. We like to think about this as a distinct stage of planning your intervention, between *deciding on a course of actions and actually implementing this planned course of actions*.

If these fuzzy distinctions in terminologies bother you, you are free to rearrange our version of the Stages and Steps to meet your own needs and view of the management world.

In this step of deciding on a course of actions and mobilizing resources, creative leaders, executives, managers, and other decision-makers get the opportunity to *think outside of the box*. In other words, it's an opportunity to be creative. If anything needs a creative touch—it's the treatment prescription step, the curing and preventing side of the corruption equation. We all know that those who engage in corruption can be very creative. Sometimes we just have to out-manuever them!

Ideas to be considered

Some of the following ideas are not all that radical, but you may not have thought about them in terms of corruption. And, situations vary from local government-to-local government, and community-to-community. As the butterfly said to the aspiring caterpillar, *"I've given you the theory—it's up to you to work out the details."*

Consider alternative arrangements for the delivery of certain local government goods and services

Make services more competitive and less monopolistic. Options might include:

- Privatize certain functions, i.e. sanitation services, or water supply. As a note of precaution we should emphasize that privatization may only work if the interest of the public is protected. The local government needs to check environmental, social, economic consequences of such decisions to privatize. Be careful that while weeding out corruption you do not create a bigger mess – e.g. water no longer affordable by poorer sections of the population.
- Create public-private partnerships.
- Encourage competition among public companies (more of an option in some transitional countries).
- Discontinue certain functions knowing that the private and NGO sectors will respond and fill the gap.
- Contract out certain local government operations that are not cost effective and/or are subject to political and managerial manipulation and corruption.

That's what the Mayor of La Paz did when he decided to break the monopoly of the city technicians who were granting building permits at their own discretion:

“ *I decided to propose that the professional association of architects make it possible for members to become certified by the city so they could grant the construction permits on behalf of the city, complying with city norms and regulations, and for a fee which the market would set. The architects in turn would have to pass an exam demonstrating knowledge of the city's regulatory norms and deposit a bond that the city would collect if they failed to perform their duty professionally and honestly. The architects association had to agree to help implement, monitor and if needed,*

sanction violations. A few well paid officials of the city Urban Development Department would conduct a sample test of some of the permits and go through a complete check up. If irregularities surfaced, the city could take actions along with the architects' association, which could also advocate on behalf of its members should officials extort them with improper allegations.

Follow-up carefully how the decisions are made and how the money is spent on the city's major public investments. Former Mayor MacLean-Abaroa tells about making a surprise visit to some municipal construction sites:

“*To my surprise, they were for the most part located in sparsely populated areas, and seemed designed more to expand the city than provide services for existing neighborhoods. Moreover, during some of my surprise inspections, I found municipal machinery and employees constructing new streets and other works that were not included in the list of municipal building programs. Only then did it become clear to me that medium-level personnel of the municipality, usually with direct control over machinery and labor, had developed their own agenda and priorities to construct public works that were neither preferred by citizens nor rated highly in the cost-benefit model. These works were accomplished in exchange for ‘favors’ – otherwise known as bribes – offered either by a group of neighbors or by individuals who were speculating on land and would collude with city employees and technicians whom they paid with land in the same area where they completed urban improvement projects.*”

Untangle the reins of governance

Over time, most public bureaucracies outdo themselves in figuring out how to distance themselves from their citizens. When this happens, the more entrepreneurial and unscrupulous members of your staff will figure out ways to fill the gaps with their services—of course, for a price. Sometimes simplifying government is the best way to make it honest. Let's come back to Mayor MacLean Abaroa's story:

“*Perhaps the most evident and generalized form of corruption occurred in the corridors and the main hall of the municipality. Hundreds of citizens wandered through, trying to complete some paperwork or make a tax payment. Because of the total disorganization and lack of information for citizens, there emerged dozens of “tramitadores” who offered their services to “arrange” a citizen's paperwork or solve permit problems. The first extortion of citizens occurred when they delivered the documents to these tramitadores. Then, when the paperwork was finished, very often illegally, the citizen was required to pay a “recognition” in addition to the official cost of the transaction. Receipts even for official sums were infrequent, and it was clearly the case that much of the money was stolen by corrupt officials. What citizens did get was basically a kind of temporary “protection” from being molested by inspectors and the like.*”

The first step we adopted was to isolate those doing the paperwork from the public. We did not permit anyone to wander freely from desk to desk “running signatures” and stamps. All transactions had to be deposited in a single place and be given a control number. They had to be picked up a few days later from another place.

These simple measures didn't cut the grand corruption, but they did eliminate a major source of abuse and discretion that affected many citizens. Within a few weeks one could walk the corridors of the city hall without colluding with hundreds of anxious and confused citizens, victims of extortions and veiled threats. Citizens found it easier to find out where their transaction was in the system, through a computer-based central registry of transactions. They could perceive that the situation had changed for the better.

Another example is the municipal one-stop shop centers that can be found in many parts of the world. They greatly reduce the inconvenience and time required to get certain permits and licenses—not to mention multiple opportunities for unscrupulous clerks and functionaries to pad their pay checks at the expense of frustrated citizens.

Install more windows in your governance house

In other words, be more transparent, open, and accessible. We once knew a city manager who took a new job in a distant city and found that his assigned office was “protected” by several physical spaces occupied by clerks, secretaries and assistants. He moved his office to the front of the line where citizens could have easy access to him. He reveled in telling the story of an elected official who always wanted to make a deal for some client but was frustrated because there was no place to hold a confidential talk with the manager. As he recalled, they spent a lot of time in the men’s toilet. Most public business can and should be public. More windows and doors to your governance process will cure many illnesses that grow best in secluded places.

Involve clients, citizens, businesses, NGOs, and others in the on-going assessment of your policies, programs, services, and interactions on their behalf

Hot lines, ombudspersons, citizen report cards, just plain “how are we doing” conversations with citizens can help to curb corruption. There is nothing more depressing than checking a suggestion box on the counter just inside the city hall entrance, finding only one complaint—and realizing that it’s been there for six months. Depressing to the city official who says he wants feedback—and even more depressing to the citizen who expects suggestions and complaints to be taken seriously. Citizen outreach—and input—must be assertively managed.

Your citizens may be your best defense in long-term initiatives to prevent the reoccurrence of corruption you have cured in the short term. For example, the Public Affairs Center in Bangalore, India, has been a major factor in curbing corruption in that city and region with their periodic citizen *feedback Report Cards* that, among other things, highlight corruption in public service delivery. You can learn more about this strategy from their web site: www.pacindia.org

Be street-smart and promote whistle blowing, encourage citizens to keep you informed. It’s amazing the information the public can provide to curb and prevent corruption: a phone call about a rental property that doesn’t have a permit, an anonymous survey of bribes being paid by key businesses for certain types of permits and business transactions, obvious examples of ostentatious living by public employees.



The finance officer of a rural county in the United States was recently charged with embezzling public funds when her neighbor couldn’t figure out how this public official managed to remodel her home, build an in-door swimming pool, and take a European vacation on her modest salary. She didn’t. She used the county’s money. Unfortunately for her, the neighbor was a whistle-blower.

You can involve your citizens and improve detection of future corrupt through the use of public watchdog groups and citizen questionnaires, which in the Internet era can be also completed on-line on computers located in easily accessible public spaces.

Of course, an equally important whistleblower role can be performed by those who are within the local government system—in other words, the employees. However, they need to be assured that if they come forward with information about corruption that they and their job won’t be jeopardized. The UN-HABITAT, TI toolkit (referenced earlier), provides an excellent write-up on Whistleblower Protection on pages 94-5. Check it out.



On rare occasions whistleblowers may operate based on revenge rather than civic duty. It's always important to check the validity of the information provided before taking action. On the other hand, citizens are important allies in curing and preventing corruption. Their eyes and ears—and then their mouth in letting you know what's going on in the community—are essential to good governance.

Review your procurement procedures and your purchasing track record for the past three years

Public procurement can become the 'bank of first choice' for those public officials who like to live extravagantly. Even if you don't expect irregularities in your local government's purchasing transactions, don't be complacent. In the Philippines, there is an organization called Procurement Watch, Inc. organized by a group of economists, lawyers, and policy analysts who monitor, on demand, the procurement activities of governments. Check to see if your country or region has such a public service. Better yet, check their website for more insight on public procurement: www.procurementwatch.org. Then, organize a similar service to benefit local governments in your country. Procurement procedures are easy to put in place and to monitor.

Make human resource management and development a high priority in your local government

If you could track all of your corruption problems back to their source, you would probably find that most stem from deficiencies in your human resource management and development (HRM/D) systems. Let's look at some of the more obvious gaps:

- **Low salaries and wages:** The purists in tracking cause and effect relationships don't like to hear this, but compensation plans affect the quality of employees that are attracted to local governments and cause local governments to lower their standards to fill positions (meaning those hired don't have the qualifications or proficiencies to perform the kinds of tasks required).
- **Hiring policies:** Ever hear of nepotism? Being a relative or friend is not an employment qualification.
- **Ghost employees:** While paying employees who do not exist or do not actually work may portend something fundamentally wrong in the overall local governance system, ghost employees are essentially a personnel records management issue.
- **Job design and placement:** If possible, rotate employees who have contact with the public. Often the corrupt police person is one who has had time to develop the "right kind of contacts". Employee discretion can be limited in monopolistic jobs by such tactics as taking off the doors of offices, working in teams, and physically separating the employee from the client.
- **Increase accountability:** Monitor job performance, install performance appraisal systems that look at functions and behaviors that are prone to corruption, and break down complex processes allow monopolistic powers.
- **Provide mechanisms for linking individual performance with citizen and client feedback:** We're not suggesting some kind of spy system, but when there is direct contact, customer service feedback helps both sides monitor and improve the relationship.
- **Set high standards of conduct and low thresholds of transgression.** In many local governments there is just the opposite: low standards and high thresholds. Raise the economic and personal costs of employee corruption as well as the benefits for quality performance.

- o **Provide training, educational opportunities, job enrichment strategies, and other developmental opportunities that help employees grow on the job.** Such programs help employees increase their potential to serve the organization and provide a climate and culture where corruption has fewer opportunities to take root.
- o **Elaborate and enforce a code of conduct.** Contrary to popular opinion, mostly among the corrupt, these codes do help.

The Utstein Anti-Corruption Centre put together a list of administrative and regulatory mechanisms that have been used by local governments around the world to cure and prevent corruption. These can be found on their website, and are listed below:

- Regulating official discretion
- Reducing procedural complexities
- Educating citizens on how public systems work
- Increasing transparency in the allocation of public resources
- Maintaining ethical employee culture
- Clear standards and codes of conduct
- Internal reporting procedures
- Identification and resolution of conflicts of interest
- Disclosure of assets and political contributions
- Increased citizen oversight

The fine art of planning courses of action and mobilizing your local government resources is endless in its possibilities—not just to save money, speed implementation, and yes, cure and prevent corruption—but also to maintain good governance. Think outside the box when you tackle these steps in the process.

Phase Four - Implementing the Change

You may think that spending time on *experimentation, testing and redesign*, as distinct steps of the planned change implementation process is not appropriate. But we would argue that implementing new programs or strategies to cure and prevent corruption should be subject to this trilogy of actions before they become *fully* operational.

When you realize that many corrupt acts are not planned—not by government anyway—you also realize that curing and preventing corruption will require a fair amount of experimentation in order to find long-term solutions.

Before going any further, it's important that we make a distinction between what we mean by *experimentation* and what we mean by *testing and redesign*. While the differences may be subtle in trying to cure and prevent corruption, these differences might be useful and fruitful. Consider each of these options as a precursor to full implementation of a corruption curing or prevention program. In other words, they are options for trying out new ideas or programs without jeopardizing a higher level goal or achievement.

Testing and Redesign

Testing and redesign tends to be a bit more cautious approach than experimentation. It's an opportunity to try out a new approach or strategy in a relatively safe environment. For example, the mayor learns that corruption has been rampant between the clerks who issue vending permits in the city markets and the vendors who need them to operate. The revenue department designs a new system they think will curb the corruption but don't want to put it into full-blown operation without a chance to field test it and perhaps redesign it before

full implementation. One market manager, who feels a lot of pressure from vendors and admits to being involved in some petty corruption under the old system, agrees to field test the new approach in exchange for a temporary increase in compensation and an opportunity to help redesign the permanent system if the field test is positive.

The field test and possible redesign option is an opportunity in this case to:

- Work out the “bugs” in the new approach;
- Check for commitment and acceptance of the idea;
- Get feedback from both the officers who issue permits and the vendors who purchase them; and
- Make adjustments before implementing a city-wide policy and program.

Experimentation

Experimentation is usually a bolder, and therefore riskier, approach to bringing about reform and curbing corruption. For example, in La Paz, *“the complicated system for evaluating properties for tax purposes was replaced by an ‘auto-evaluation’ where citizens would declare the value of their properties under the veiled threat that the city might purchase their properties at the value the citizens declared. The result was a remarkable increase in city revenues²⁷.”*

Unfortunately, *“the ‘auto-evaluation’ system eroded when it became clear that the city had no effective penalty for understating the value of one’s property...and the threat to buy the property for a fraction of its declared value turned out to be illegal²⁸.”*

Don’t hesitate to experiment on ways to cure your current ailments and prevent future ones. On the other hand, make sure the experiment is legitimate.

If you question the role of experimentation, ask any medical researcher where we would be, on both cure and prevention, without it. At the core of planned change is the need to learn-by-doing and this often means venturing into the unknown, experimenting with new concepts, ideas and approaches, and learning from them to move to the next plateau of achievement. If we knew everything there is to know about curing and preventing corruption, then this planned change tactic would be irrelevant. Unfortunately, we don’t. That’s what makes this step in the process so crucial to your long-term success.

Implementation

Implementation is, in theory, the action phase of the planned change process. Unfortunately, carefully planned actions don’t always happen the way we would like them to. As Bryson and Crosby, in *Leadership for the Common Good* remind us, *“implementation is typically a complex and messy process involving many actors and organizations that have a host of complementary, competing, and often contradictory goals and interests²⁹.”*

We said earlier that planning a course of action is deciding **who will do what with whom**, within what **timeframe** and with **what resources**, and determining how you will know your plan has been successful. **Implementation is the realization of your plans.** But, as Bryson and Crosby remind us, a host of complementary, competing, and even contradictory goals and interests are also in play. And there will always be those who have a vested interest in keeping corruption going.

²⁷ Klitgaard, MacLean-Abaroa and Parris.p.100.

²⁸ Klitgaard, MacLean-Abaroa and Parris.p.106.

²⁹ Bryson, John and Barbara Crosby. *Leadership for the Common Good*. San Francisco, CA. Jossey-Bass Publishers, 1992. p.13.

As local government leaders, you need to take an active role in supporting implementation without getting immersed in the day-to-day details. Here are some things to consider in providing leadership to the implementation of your corruption treatment plans without meddling in the actions of those charged with implementation.

Think strategically about implementation. This means, among other things, providing policies and adequate resources to carry out the plans. For example, installing a new procurement system may require additional equipment, staff, operating funds and time that you haven't planned when authorizing the changes in the system. You may also need some formal policies, adopted by the elected body, to assure that the new program meets all the legal requirements.

Treating corruption successfully can be expensive in the short term. It may mean new personnel, equipment, and training in new systems. In La Paz, the mayor recruited graduate students from another continent to provide some of the expertise to put together new systems that would support many of the changes he planned to implement. In State College, more code enforcement officers had to be hired and trained.

Provide the necessary bridges and linkages to the larger community. In La Paz, several international organizations came to the Mayor's defense. He also aligned himself with a "champion" corruption fighter, Robert Klitgaard. In State College, the task was made easier by community redevelopment funds from another state agency to help underwrite some of the initial cost of the enforcement program. In addition, the local newspaper and radio stations provided favorable coverage of the program to end the corrupt enforcement practices and close the door to slum housing conditions for thousands of students. In the Sri Lankan case referenced earlier, the business community—backed by the Chamber of Commerce—provided powerful political support to the Customs Service to close the door on widespread and costly corruption. These kinds of external alignments can often spell the difference between victory and defeat in implementation efforts to cure corruption.

Be creative and bold in implementing changes. In La Paz, before the Mayor started to implement his corruption-treatment program, the "city hall gang" cluttered the halls of government with offers to "arrange" for speedy processing of all kinds of permits and paperwork. The Mayor took away their opportunities to be fixers by isolating them and their paperwork from the public. (This is an example of the previous step in the planned change process we have been outlining: experimentation, and testing and redesign)

Change the systems. The new systems can be dramatically different based on need. For example: changing the reward structures of positions sensitive to corruption, i.e. increasing the pay scales of code enforcement officers to attract competent and honest candidates, reorganizing physical space to separate the supply and demand sides of lucrative transactions that are prone to corruption, and, contracting out certain public services to the private sector under strict guidelines and legal mandates.

As you can see, system changes can be triggered by a variety of needs. In the examples just given, we are talking about changes involving economic, physical and legal factors—and these are just illustrative of the wide range of system changes that are available to help stem corruption. Systems, from our perspective, represent those mechanisms that policymakers and managers devise and put into place to achieve specific goals—or internally adapt to be more effective.

Based on the extent of proposed system changes, the amount and type of preparation required might vary significantly. For example, increasing salaries of positions in local government that are sensitive to corruption, might require negotiations with employee groups, or changes in budget allocations—which may or may not be an option based on financial management rules and regulations that are already in place to thwart other kinds of misbehavior.

This particular systems change could also trigger both intended and unintended consequences. It may serve the need to attract more competent and honest candidates; however, it might also reward those already on the payroll that have been less than honest and competent. Such a move might also trigger a systems-wide demand for higher wages and salaries—an unintended consequence that could have budgetary implications for the local government.

Before any systems change is put into operation, no matter how minor it might appear to the initiator, it's important to ask a series of “why” and “what if” questions. Why am I taking this action? And, if taken, what will be potential intended and unintended consequences?

Exercise patience and persistence. Implementation rarely happens as planned or when planned. In State College, for example, it took nearly two years to bring student housing up to code standards because of the number of units that had serious discrepancies and the shortage of technicians to undertake the renovations.

Engage the citizens. As the Mayor of La Paz discovered, implementation throws out some impressive challenges to those who struggle to cure and prevent corruption. And this is where the public can be very helpful. Citizens are natural “sideline superintendents”. With a little training and encouragement, they can become your eyes and ears when it comes to unearthing corruption associated with program, service, and project implementation. Likewise, in an increasing number of local governments in India, citizen report cards have proven to be an effective mechanism for monitoring the implementation of public programs and services.

Phase Five - Evaluation and On-Going Prevention

The final stage of our planned intervention approach to curing and preventing corruption deals with two steps: impact evaluation, stabilization and on-going prevention. The idea is that cures can become less important if we engage in prophylactic activities. It's a well-known medical strategy that has proven its worth. When a disease is prevented, it removes the need to cure those who might contract it—over and over again.

Impact Evaluation

In the best of all well-managed worlds, impact evaluation should be based on the needs, goals and objectives of any intended action that results in performance impact. And this is the way that competent policy makers and managers operate—or should. However, changes in policies, programs, and operating systems that are intended to cure existing forms of corruption or prevent them from happening in the future might require quick decisions and actions.

In spite of the need for quickness in making a decision or taking action, those involved should ask some fundamental questions to assess the impact of the decision or action within some specified time frame. For example:

- Why are we taking the decision or action? This cuts to your goals and objectives, the “why” dimension of any reasoned decision.

- How will we measure the impact of the decision or action as it is being implemented?
- Will there be potential unintended consequences of our decisions and actions that need to be taken into consideration?
- If so, how can we minimize or avoid these unintended consequences?

In the best of all worlds, impact evaluation is based on measurable goals and objectives that are established early in the decision-making processes of governance and management. Unfortunately, actions to cure and prevent corruption are rarely taken in the “best of worlds.” It’s a bit of an oxymoron. Nevertheless, competent policy makers and managers do their best to factor into their decisions the potential impact and consequences—even when these decisions are made “on the run.”

Whenever possible, make impact evaluation an integral part of your corruption curing and prevention planning, and require evaluation as an integral part of implementation. For good measure, require a citizen watch component—if it makes sense.

Take a lesson from the former Mayor of La Paz and the City Manager of State College. Citizens of all ages can be your most effective evaluators of impact. They can feed back information, ideas, data, and insights as the planned change process occurs, so your local government can take the curing and preventing of corruption to its next level of accomplishment. But, impact evaluation is more than citizen watchdog ventures; it is a major management duty and responsibility. Let’s look at this step in the planned change process in more depth.

Impact Evaluation and the Manager’s Role

As we have been emphasizing, it is important to build-in ways to evaluate the impact of your corruption curing and prevention initiatives—and now we want to get a bit academic in our discussion of this phase of planned change.

There are two terms that enter into most discussions about impact evaluation, and they are often confused by those responsible for requiring them, i.e. policy makers, and those responsible for implementing them, i.e. managers and supervisors. They are: *Outputs and Outcomes*. *Outputs are measurable indicators of progress* toward the achievement of objectives. *Outcomes are the planned and sometimes unplanned results* of the intervention. An output might be the number of steps eliminated in a building permit process designed to both simplify the process and eliminate client contacts that encourage corruption. The outcomes could be shorter processing times, and increased revenue resulting from “misdirected fees”.

Some of the more common indicators you can use to measure progress and results are:

Adequacy

To what extent:

- Were our action plans sufficient to achieve our corruption-curing objectives?
- Were our objectives adequate to cure the specific type of corruption identified in our action plan?
- Were the resources our local government made available to carry out each of the corruption curing plans sufficient to do the job?
- Can the results achieved through each of these specific corruption-curing initiatives be sustained, and therefore be an integral part of our prevention program?

Effectiveness

To what extent:

- Were each of our anti-corruption plans implemented?
- Were our corruption-curing goals and objectives achieved as planned?

Efficiency

How:

- Could the resources in each of our corruption-curing initiatives have been used differently or substitutes used to have produced more results sooner and at a lower cost?
- Costly was the planning and implementation of our corruption-curing efforts in relation to the resulting benefits? (Remember there may be intrinsic value in curing corruption—not just increased revenue in the local government coffers.)
- Could we have produced the same corruption-curing results at a lower cost by doing it differently? For example, could we have contracted out a public service to a private firm under strict bidding procedures and accountability conditions?

Consequences

To what extent:

- Has our local government achieved the outcomes it envisioned when it undertook its corruption-curing initiatives?
- Can each of these initiatives be sustained? Prevention is sustainability when it comes to corruption. Sustainability is prevention—keep it going.

What:

- Have been the overall benefits to our citizens in each of the corruption-curing initiatives undertaken?
- Have been the liabilities incurred in each of these initiatives?

Stabilization

Given the complexity of corruption as an institutional norm in most societies, and many organizations and communities, one cannot assume that curing corruption is a one-time event. Like all organisms, the body politic will continue to be vulnerable to corrupting diseases and therefore the need to cure is an ongoing process.

At this point, you will need to stabilize the successes and achievements that you have made in curing specific kinds of corruption in your local government organization and community. Stabilization assures that you don't forfeit the gains you and your organization have made in curing corruption. In order to explain this stabilization process, we will use public purchasing as an example.

Stabilizing your public procurement system to *prevent* future outbreaks of purchasing corruption would include a number of interrelated activities. For example, you might need to:

- Review your local government's policies as they relate to specific kinds of corruption you have cured. For example, do you have sufficient policies and regulations in place to assure that all major purchases are made in accordance with internationally recognized standards of procurement? If not, consider enacting them immediately. Do your policies and management operating procedures cover other purchasing-related activities such as the use of petty cash? In other words, be systematically thorough in covering all your procurement activities.
- Assure that all employees, who are in any way involved in purchasing activities, are trained in the procedures and are able to demonstrate competencies in carrying them out. If not, provide the necessary training to increase their task proficiencies. If any employee is unable to meet the technical demands of their position in relation to procurement, provide job counseling and redeployment within the organization, if possible.

- Provide for yearly audits by certified public accountants (or their equivalent based on the local government laws applicable in your country) to review your organization's experience in purchasing, based on your policies and on generally recognized standards of procurement.
- Assure that all contractors and suppliers are aware of your local government's policies and procedures regarding procurement. Have copies of all the pertinent documents readily available to all suppliers and contractors and include these documents in any request for proposals associated with projects, programs or other activities that may involve procurement by your local government.
- Work with the local chambers of commerce or like-minded associations, and any citizen watchdog groups so they are aware of your policies and procedures. Solicit their support in sharing information about practices that may be taking place that you need to know about as they relate to your procurement requirements. Sometimes the victim is the last to know.

Stabilization is one of those “good news—bad news” strategies. The good news: in successful ventures where corruption has been contained, if not cured, creating stable governments, systems, procedures, and norms of operation has been key. The bad news: stability breeds stagnation, complacency and often corruption. So, what to do?

The **first line of defense** to assure stabilization and managed change, is vibrant, democratic governance processes. When things get bad enough, there is always the option of “*throwing the rascals out.*” As many of us who live in democratic states can attest, just because you can throw the rascals out doesn't mean that a new bunch isn't about to take office. Nevertheless, it beats the alternatives.

The **second line of defense**, of course, is economic competition. It's also problematic because free enterprise is not always free of manipulation and corruption. However, as long as there are budding capitalists who believe they can get the competitive edge by being honest and just a bit smarter in competing, stabilization as an integral part of planned change is possible.

Given the problematic nature of these two stability strategies, what can local governments and their leaders do to build stability into these processes? Here are some thoughts, and we urge you to challenge them with vigor.

- **Grow a new crop of public and private leaders with each generation.** Work with your educational institutions, chambers of commerce, trade unions, houses of worship, and other institutions to identify, nurture and develop individuals who demonstrate the potential to step into future leadership roles and responsibilities.
- **Guard your democratic institutions as though some unknown force lurks around the corner ready to jump on them with the intent of taking them down.** Democracy needs competition to stay healthy and vibrant. If your local governing body is drifting toward one-party-ism, start a new one even if it's your party that's in charge. Democracy is a learned behavior so encourage your educational institutions to teach not only what democracy is, but how it functions.
- **Become a Learning Organization.** Self-enlightenment can help expose a lot of dark corners in your local government organization and have a direct impact on the ability of corruption mold to grow in dark places. We've mentioned UN-HABITAT earlier as a source of materials that can help local government leaders, staff and employees become a learning institution. Check out their website, www.unhabitat.org, and learn more about their Local Elected Leadership Series (featuring 12 leadership competencies that foster good governance performance by elected officials), the Building Bridges Series (linking local governments and citizens into joint ventures), the Local Government Financial Management Series (with in-depth knowledge and systems on fiscal accountability), the Participatory

Budgeting Toolkit, and many more publications. These are powerful tools—available from UN HABITAT through their website—that can help your local government and community become enlightened learning institutions. For training resources, you may also check the website of Partners Foundation for Local Development: www.fpd.ro.

- **Develop strong, professional, and dedicated local public institutions.** Among other things: develop a civil service system based on contemporary human resource management principles and practices; incorporate human resource development opportunities into your operating budget as an on-going line item; make sure your local government institutions are open and transparent so the public can look in and see what's going on; encourage your employees and elected officials to challenge the status quo; and put a premium on interactive information systems of all kinds.
- **Build safeguards like ongoing financial and performance audits, and managerial, technical and professional assessments, into the ongoing fabric of your government and its governance roles and responsibilities.** Too often auditors and assessors, even those with professional credentials, get sloppy and lazy in carrying out their public institution duties. When they do, hold them accountable.

While you focus on stabilizing the results of your efforts in making your local government healthier, you actually build the foundation for your ongoing prevention programs.

Ongoing Prevention

The focus of prevention programs is forward looking, to assure that corruption cannot only be contained, but also prevented. The *process* of putting together your corruption prevention program is similar to that which we have just taken you through. Nevertheless, it requires a significant shift in thinking and acting on the part of local governments and communities.

Perhaps the best way to envision what this shift might look like is to consider your community's approach to treating (curing) and preventing disease. Curing requires interventions to stop or remove specific debilitating and destructive behaviors and physical diseases. Preventative medicine involves strategies and actions that either eliminate or contain the potential for debilitating and destructive behaviors and physical diseases to take root, or reoccur. Preventative medicine is more prone to use educational strategies to engage the public as active partners, and to think and act in preventive maintenance terms, i.e. routine check-ups. Preventative medicine also invents permanent cures before they are needed, i.e. vaccinations.

Treatment and prevention, whether we are looking at these complex systems and processes from a medical or local governance perspective, each require their own mindset, value system, strategies, expertise, and capacities to perform effectively and efficiently in their respective environments. And this takes us to the future and the challenge for your local government and community to shift their attention to the prevention of corruption. Fortunately, the planned change process is cyclical, developmental, and never ending.

You move out of one cycle of action and research (thus the term—action research) into a new cycle of research and action. In this case you are shifting your focus from curing specific corrupting influences and events to establishing programs, systems, and capacities within your local government and community that are focused on preventing corruption. It may require a different vision, new members for your guiding coalition, and a transition from looking at problems to envisioning opportunities. Even with these changes, the planned change process remains essentially the same. What may have appeared to be the end of a task-oriented journey (curing your local government and community's corruption) is actually the beginning of a new quest. It's called prevention—or a need to start all over again.

Some Final Thoughts

The authors of *Corrupt Cities* make the point that “*over time and under new leadership, some anti-corruption measures may become distorted and actually turn into sources of other forms of corruption*³⁰.” It happened in La Paz and in Hong Kong, the other city the authors highlighted in their book. Leadership changed—conditions changed—citizen vigilance changed.

Of course, anti-corruption policies and programs are not the only ones that suffer the consequences of change. And, the very anti-corruption policies, programs, and procedures that were planned and implemented successfully at some earlier point in time may indeed become the object of a new round of anti-corruption activities under someone else’s watch.

For example, the installation of a centralized purchasing system might work corruption-free for years and then be corrupted by a change of administration and the appointment of an unqualified—but very street-smart and ambitious—friend of the mayor as purchasing officer. Or, the privatization of the city’s refuse collection and disposal department cleans up one mess at the time of privatization but creates a whole new mess when the company with the contract is bought out by an organization controlled by organized crime.

There are no permanent answers to the problem of corruption. And local governments are excellent proving grounds for petty politicians and small town gangsters who want to learn on-the-job. After a successful apprenticeship, at the community’s expense, they often move to a higher level of government where the stakes are higher and the rewards more bountiful. It is a somewhat realistic but also pessimistic view of the world we have been exploring.

Finally, we want to leave you with a checklist of errors you should avoid in order to be successful in your planned change efforts. This list was developed by John P. Kotter, who observed more than 100 organizations in their efforts to become more effective, efficient and competitive in their respective environments³¹.

Regardless of how capable you might be as a public elected or appointed leader, transformational initiatives, like curing and preventing corruption, are complex undertakings. Consequently, it is easy to make the kinds of errors that Kotter has outlined in his insightful article. Planned changes are always more effective when you plan not to make the following kinds of errors that Kotter says can lead to transformational failures.

Error # 1: Not Establishing a Great Enough Sense of Urgency

Starting a transformation in your organization requires the cooperation of many individuals and you should be aware that it is very important to motivate them to support you. How can you do this? One idea is that you have to establish, at the very beginning, a sense of urgency for the change you want to promote, through open and frank discussions about the unpleasant facts that actually convinced you that change was critical. The urgency is demonstrated by your commitment to making changes and your strong political will as a leader to acknowledge and confront the corrupting illnesses in your local government and community.

Error # 2: Not Creating a Powerful Enough Guiding Coalition

Organizations that succeed in implementing successful planned change initiatives create powerful Guiding Coalitions, individuals who are highly regarded in the community, have information and expertise that can help you restore the health of your organization, and represent valuable linkages to various parts of the larger community.

³⁰ Klitgaard, MacLean-Abaroa and Parris.p109.

³¹ Kotter, John P. *Why Transformation Efforts Fail*, Cambridge, MA. Harvard Business Review, 1995.

While major change efforts are often initiated by one or two people, successful transformation will require a leadership coalition that can grow over time. Senior managers are always the core of these coalitions and their members have to work as a team, having a common understanding of the direction the process of change should go.

Error # 3: Lacking a Vision

Without a clear and attractive vision of the future that clarifies the direction in which your organization needs to move—and is relatively easy to communicate and will be understood by the many stakeholders that need to be involved in the process—your efforts can be lost in a number of confusing and incompatible projects. In failed attempts of transformation you can often find a lot of plans, strategies and programs, but no clear vision.

Error # 4: Under-communicating the Vision by a Factor of Ten

Transformation is impossible unless you capture the hearts and minds of your stakeholders, and for that you have to use all existing communication channels to broadcast your vision in an appealing, interesting and understandable way. Because communication is both words and deeds, it is important that the leaders of the change process “walk their talk” and become the living symbols of the new behaviors, values and actions they want to promote. Nothing undermines the change effort more than leaders who behave inconsistently with their words.

Error # 5: Not Removing Obstacles to the New Vision

Communication is important but never sufficient. For successful change you also have to identify and remove the obstacles that lay in the path of change. These obstacles could be persons as well as organizational structures, rules or norms. You have to act to remove them—and empower those who support you—if you are to maintain the credibility of your change efforts.

Error # 6: Not Systematically Planning for and Creating Short-Term Wins

Major changes often require long timeframes, and your efforts can lose energy and momentum if there are no short-term results to be celebrated. Without short-term wins, many people—who in the beginning supported you—may give up and join the ranks of those who have been resisting the change. In successful transformations, managers establish short term objectives and when they are achieved, celebrate them by rewarding the people involved with recognition, promotions, or even money.

Error # 7: Declaring Victory too Soon

While celebrating wins is fine, declaring prematurely that you have won the war can be catastrophic. The premature victory celebration stops the change process and unites the change initiators and change resisters. In their enthusiasm over clear signs of progress, the initiators claim victory. At the same time, the resisters use this victory celebration to send the troops home.

Instead of declaring victory, leaders of successful change processes go further by addressing bigger problems, systems, structures and cultures that should be changed in order to stabilize and prevent regression. This is especially true when you want to cure and prevent corruption in your local government.

Error # 8: Not Anchoring Changes in the Organization's Culture

Change is achieved when it becomes embedded in your organizational culture and your people say “this is the way we do things around here”. Until the new behaviors are rooted in social norms and shared values, they are subject to degradation as soon as the pressures for change are removed.

In your change efforts, you have to highlight often and clearly the link between the new changes, approaches, behaviors and attitudes, and the improved organizational performances and quality of life resulting from these changes. Helping people see the right connections requires good communication.

You also have to assure that the next generation of leaders will support the new approaches and are committed to continue your efforts. One bad succession in leadership can undermine a decade of hard work and can undo successful transformations.

John P. Kotter ends his very useful paper by expressing his concerns that this list may seem a bit too simplistic—recognizing that even successful change efforts are often messy, full of surprises, and rarely follow exactly the courses of action than have been planned. Nevertheless, Kotter feels that helping people reduce the error rate can make the difference between success and failure.

We invite you to add your own ideas on what errors you think you should avoid in efforts to restore the health of your organization through curing and preventing corruption.

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P.S. There is a line in the poem *Patience* by 19th century poet William Gilbert which sums up all this talk about curing and preventing corruption in local governments and communities.
*The meaning doesn't matter if it's only idle
 Chatter of a transcendental kind.*

It's time to put on your physician's hat, put this series of Parts under your arm, go forth into your local government and community—and cure and prevent corruption.



No idle chatter allowed—only good works.

