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CHAPTER-IV
MANAGING ETHICS IN PUBLIC SECTOR ORGANISATIONS

Public Sector Undertakings (PSUs) have laid a strong foundation for the industrial development of the country. The Public Sector is less concerned with making profits. Hence, they play a key role in nation building activities, which take the economy in the right direction.

PSUs provide leverage to the Government (their controlling shareholder) to intervene in the economy directly or indirectly to achieve the desired socio-economic objectives and maximize long-term goals.

i. Empowerment of Public Sector Undertakings (PSUs):

The Government provides Public Sector Enterprises (PSEs/PSUs) the necessary flexibility and autonomy to operate effectively in a competitive environment. The Boards of Navratna and Miniratna companies are entrusted with more powers in order to facilitate further improvement in their performance.

The government has also implemented revised salaries for executives of PSEs/PSUs. Moreover, some innovative measures such as Performance Related Pay have been introduced to make them more efficient. These incentives for the employees have been linked to individual, group as well as company performance.

ii. Role of Management under Public Sector:

The role and responsibility of the Managers in today's business world of stress and strain, is challenging. For effective control of a Public Sector Undertaking, the Manager has to work with a set of broad policy parameters and accordingly strengthen the fabric of the entire organization by achieving managerial efficiency. Generally, a Manager has to study the following aspects in a thorough manner:
The extent of production per unit time, per worker, per unit fixed and working capital and per unit machine/work center.

He should also investigate into the planned capacity utilization.

He should be acquainted with the cost per unit of production of raw material, labour and machines.

The quality and quantum of production and customer’s satisfaction.

A study of cost of inventory with stocking costs and stock-out costs.

Staff satisfaction and harmony in regard to industrial relations.

The extent of contribution of human resource development and training.

Cost of marketing per unit and total cost of sales and advertising.

The extent to which his firm has been contributing to National Resources Development.

He should also put in efforts in regard to research to reach and development in the technology of production.

He should be acquainted with the real social benefits to the society.

It should be clear that the manager needs a high level of resourcefulness. Managerial needs call for an ability to overcome challenges. A higher level of sophistication is required on the part of top managers, policy makers and auditors so that they can understand and guide middle and lower level managers properly. The age-old methods and routine practices of bureaucracy and traditional modes of managers cannot be expected to yield beneficial results.

The concept of professional Manager essentially points to a certain basic attitude and frame of mind as characterized by the following:

1. Decision oriented mental ability based on sound planning, organized thought and balanced judgment
2. Ability to motivate and lead subordinates in a proper manner.
3. A cluster of ethical traits of character that would be socially acceptable and which would enable him to work as a creative member of a team.
4. A sound and deep understanding of the process of human endeavor in all the phases of business activity.

5. An openness if mind to observe and note beforehand the nature of the emerging trends in his environment.

6. Ability to foresee the economic charges in various aspects and accordingly to forecast change in business strategies.

A successful Manager will work with an open mind. He would be ready to recognize and implement innovative ideas in the work environment. He will work in a climate of creativity, trust and will never brush aside the feeling of his subordinates. It is necessary on the part of the manager to be honest in describing the ins and outs of his authoritative role in asking his subordinates to perform their tasks. Every top Manager should accept workers participation in management as an essential instrument to better human relations. Good intentions of the management should be made known by the manager to his subordinates by sponsoring their names to appropriate training programmes, installation of sound procedures and by other such suitable measures so as to instill confidence amongst the workers. In regard to direction and control, a top manager should be an ethically tough-minded, practical leader, not a weak, permissive, goody-goody personality. Managerial talent deserves to be grown properly but not “manufactured abruptly.”

A Manager has to work within various restraints and constraints. Restraints include labour problems and labour laws which are multiplying day-by-day. Moreover, constraints such as policy restrictions and financial and budgetary restrictions are also increasing due to various factors. All this would call for a competent manager to exercise his thinking and practical brilliance so as to healthily manipulate in an effective manner with in the unavoidable odds.

A Manager can be successful if he cares to consider the following seven important instructions:

1. He should possess specific knowledge to do his job effectively.
2. His mental alertness, straight forward thinking, orderliness of mind and sound judgment should be his guiding factors.
3. He should never keep his work piling up. In short, he should never be indecisive.
4. He should study and weigh the views and opinions of his colleagues and subordinates.
5. He should use his robust common sense and must act with a sense of proportion in initiating situational solutions.
6. He should understand and implement the policies of his organization in most effective manner.
7. He should train his subordinates to improve their skill and to develop clarity and confidence. He should communicate in a manner that his words convey the proper meaning, so that ultimately, the efficiency and integrity of subordinates could be increased.

**Opportunity for Business:**

Tradition and culture are engrained in the Indian character, making India an open-minded ideal place for innovative business ventures. Creativity and individuality are the keynotes of a sound business environment. A progressive business character is marked by a unique sensitivity to innovation in technologies and changing lifestyles. People’s fascination and genuine willingness demonstrate their support for the introduction of new scientific technologies in business. Consumers will always embrace new qualitative products and thereby absorb the innovation in technologies. When R&D incorporates advanced technologies with creativity and artistic appeal, then unique products are the inevitable outcome. Business organizations should be open to sharing the expertise of scientific laboratories to develop joint projects in an environment of non-resistance to change. In recent times, e-management has assumed greater importance for unit’s consistent drive for carrying out tasks and implementing plans, policies and schemes for effectively achieving excellent financial results and reaching organizational goals.
iii. Ethics in Public Sector Organizations:

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

Ethically Effective Management:

- Integrity is the fundamental requirement for successful Management.
- Effective communication which is the life breath of modern business, commencers with right attitudes, rational emotions and sincere feelings, and not simply words. Words cannot communicate if they fail to express the substance of communication precisely, clearly and effectively.
- Employees of every business organization have to enjoy their fundamental rights properly with a view to discharging their obligations to the society they live in. Hence, they should properly enthused by educational programmes, persuaded, motivated and trained in a manner that they can nurture high moral values and obligations towards their organization. Work cannot be accomplished by order but by persuasion and by inculcating in workers a sense of belongingness and common purpose.
- Every employee has right to his or her dignity. Every individual worker in an organization has his/her sense of worth and contribution to his organization.
- Human relations and not merely products have relevance which should be recognized by every healthy business organization.
- Self-Management in industry has to be successfully encouraged. Self-Management is the “Summum Bonum” of every organization. Without Self-Management, the proper management of other persons became meaningless.
- It is necessary to encourage decision-making at the operational level so as to make it purposeful and effective.
- Delegation of responsibility must always be accompanied by appropriate delegation of authority.
Workers have to be tactfully guided so as to enable them to understand that their duties are accompanied by concomitant responsibilities.

If subordinates come up with well-reasoned suggestions, their bosses should always lend an ear and understand the finer points of those suggestions.

In management, democratic leadership provides more satisfactory experiences outwardly and as well as inwardly to each and every member of the organization.

Every benevolent organization should take pain to convey the appropriate stance of the company in regard to profits. In this way, truth triumphs favorably in the interests of the organization.

It is the responsibility of every management to discharge its social responsibility.

Workers should be considered as partners in business because it is they who contribute to the productivity, progress and profitability of their company.

Enlightened leadership means making people function as responsible leaders, consumers and citizens.

Every business organization should understand that the company exists because people exist, with all their desires and wants, hence the business should function in the larger interest of the national and international communities.

Visakhapatnam Steel Plant, being the Public Sector and Navaratna Company is meant to perform functions for the society as a whole, according to general and political priorities. According to Kinchin (2007), the ethics of public service is (should be) based on five basic virtues; fairness, transparency, responsibility, efficiency and no conflict of interest. There are, however, other principles in operation, and public servants face several dilemmas, for instance when the bureaucrats’ private ethics collide with his professional public work ethics or organisational cultures.

iv. “Different Worlds” of Ethical Principles:

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

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

The ethical character of an individual may be unpredictable and tenuous, but a weak ethical basis of an individual can be overcome and his ethics become meaningful and directional, when a particular setting and structural pressures converge. There can, however, be a conflict between the belief system (ethical character) of the individual and the actions that the individual is ordered to take (the context pressure). For some, this may lead to profound frustration and cognitive dissonance. One example is when a public official, who believes in the standards of openness, fairness and accountable governance is being pushed into making decisions and serving people in blatant disregard of these principles. Others may perceive contextual ambiguity opportunistically, as possibilities to circumvent standards and to serve their own interests.

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

A number of researchers have been looking at the moral stress facing civil servants who are living in two “different worlds”. In particular, the theories of neo-patrimonial rule stress the conflict between the moral logics and expectations of clientelist rule; the patronage system of political patron-client relationships; informal
procedure embedded in the state institutions; and the professional ethics of individual politicians and civil servants.

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

Normally in the public sector the model of ethics followed is mentioned in the following Chart 4.1. But due to globalization there is a change in the ethical policies and procedures, which is discussed in the following paragraphs.
Chart 4.1: Traditional Ethical Model of the Organization
No matter how manifold the politics of the day can be and how fluid the political cultures can be; the ethical standards of the public sector can be said to be at different levels of principle and practicality. On the top of the principle hierarchy are some ethical imperatives, founded in religion or in human rights. Secondly, for the public sector, there are the internationally accepted principles for democratic and accountable governance. Thirdly, in the particular setting of public administration, there are the situational and contextual rules, principles and regulations for the behaviour of public servants and agency-internal standards.

The “Infrastructure” of Public Sector Ethics:

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

International Norms and International Legislation:

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

Weberianism: Rationality and Meritocracy:

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

Moreover, it was Weber who began the studies of bureaucracy and whose works led to the popularization of the term. According to Weber, the classic, hierarchically organised civil service of the European type is only one ideal type of public administration and government, but by far the most efficient and successful one. Although he did not like it particularly much himself, Weber outlines a description of the development of this bureaucracy that involves rationalization (a shift from a value-oriented, traditional and charismatic organisation and to a goal-oriented and rule-based bureaucratic organization structured on a legal-rational authority).

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

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

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

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

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

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

**Human Rights:**

According to Article 1 of the United Nations Universal Declaration of Human Rights,

“All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood”.

Human Rights refer to the basic rights and freedoms to which all humans are entitled. Examples of rights and freedoms which have come to be commonly thought of as human rights include civil and political rights, such as the right to life and liberty, freedom of expression, and equality before the law; and social, cultural and economic rights, including the right to participate in culture, the right to food, the right to work, and the right to education.

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

The most common categorization of human rights is to split them into *civil and political rights*, and *economic, social and cultural rights*. Civil and political rights are enshrined in articles 3 to 21 of *the Universal Declaration of Human Rights* (UDHR) and in the *International Covenant on Civil and Political Rights* (ICCPR), and include such rights as physical integrity (right to life) and rights like procedural fairness (like protection from arbitrary detention and torture), protection from discrimination (based on gender, religion, race, sexual orientation etc.), as well as individual freedom of belief, speech, association and political participation.
Economic, social and cultural rights are enshrined in articles 22 to 28 of the Universal Declaration of Human Rights (UDHR) and in the International Covenant on Economic, Social and Cultural Rights (ICESCR). The economic, social and cultural rights include such rights as the right to public education, health care, social security, and a minimum standard of living.

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

As modern moral philosophy is increasingly revolving around claims-based and rights-based ethics, human rights come in as a most fundamental principle. When these rights-based theories argue that people have a claim to certain freedoms and rights, and that people have claims against somebody, it is important to identify what claims people have and who has an obligation to secure these rights. As it can be seen, a person can only be said to have a meaningful claim to something (a service, freedom, or right) if all others have an obligation not to act in ways that undermines this right, and if some others have an obligation to act positively to secure that certain peoples’ rightful claims are met. Rights are ultimately claims against others, and rights-claims generate correlative duties on the part of others. Natural rights apply to all persons, like our right to life, and everybody else (other individuals, organisations, governments and international community) has a duty to secure these natural rights. Political and social rights apply to it.

v. Managing Codes of Conduct and Codes of Ethics:

A code of conduct is a set of rules outlining the responsibilities of – or proper practices for – an individual or organization. Related concepts include codes of ethics and honour codes. One definition of a “Code of Conduct” is “principles, values, standards, or rules of behaviour that guide the decisions, procedures and systems of an organization in a way that (a) contributes to the welfare of its key stakeholders, and (b) respects the rights of all constituents affected by its operations.”
Several international and national agencies have developed Codes of Conduct or Codes of Ethics for their employees. This ethical standard setting is to a large extent based on Weberian principles. It can be an important guide to making decisions on complicated ethical issues, and they can provide the basis for an environment where citizens are aware of the basic standards of behaviour to be expected from public sector employees. International codes of conduct or codes of ethics can support national public sector statutes and criminal laws, and can add to the national legal framework. The purpose of the code is to specify the standards of integrity and conduct to be observed by public officials, to help them meet those standards and to inform the public of the conduct it is entitled to expect of public officials.

The general principles of the code states (among other provisions) that the public official should carry out his or her duties in accordance with the law, and with those lawful instructions and ethical standards which relate to his or her functions, and that the public official should act in a politically neutral manner and should not attempt to Conflict of interest is a situation in which the public official has a private interest that can influence, or appear to influence, the impartial and objective performance of his or her official duties. It includes any advantage to himself, to his family, close relatives, friends and persons or organisations with whom he has or has had business or political relations. It will frustrate the lawful policies, decisions or actions of the public authorities (article 4). Furthermore, the public official has the duty to serve loyally the lawfully constituted national, local or regional authority, and he/she is expected to be honest, impartial and efficient and to perform his or her duties to the best of his or her ability with skill, fairness and understanding, having regard only for the public interest and the relevant circumstances of the case (article 5).

The code also states that in the performance of his or her duties, the public official should not act arbitrarily to the detriment of any person, group or body and should have due regard for the rights, duties and proper interests of all others (article 6). In decision making the public official should act lawfully and exercise his or her discretionary powers impartially, taking into account only relevant matters (article 7).
Important is also article 8, which says that the public official should not allow his or her private interest to conflict with his or her public position. It is his or her responsibility to avoid such conflicts of interest, whether real, potential or apparent. The public official should never take undue advantage of his or her position for his or her private interest. Any conflict of interest is to be avoided (article 13). The public official who occupies a position in which his personal or private interests are likely to be affected by his or her official duties should, as lawfully required, declare upon appointment and at regular intervals thereafter the nature and extent of those interests (article 14).

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

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

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

Article 18 states that the public official should not demand or accept gifts, favours, hospitality or any other benefit for himself or his or her family, close relatives and friends, or persons or organisations with whom he or she has or has had business or political relations. (This does not include conventional hospitality or minor gifts). If the public official is offered an undue advantage he or she should take steps to protect
himself (article 19); and the public official should not offer or give any advantage in any way connected with his position as a public official, unless lawfully authorised to do so (article 21).

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

**Democratic Standards**

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

**Democratic Rule:**

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

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

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

**Political Accountability:**

Accountability is a concept in political science and ethics with several meanings. It is often used synonymously with such concepts as responsibility, answerability, enforcement, blameworthiness, liability and other terms associated with the expectation of account-giving. Political accountability is the accountability of the government, civil servants and politicians to the public and to legislative bodies such as the national assembly, parliament, national audit office, and other agencies of control and oversight. Political accountability is usually divided into “horizontal accountability” and “vertical accountability”. The institutions of “horizontal” accountability (of “checks and balances” or “separation of powers”) are the Legislature (parliament/national assembly) and the Judiciary (a court of a final appeal like the Supreme or Constitutional Court), primarily, but also the various state institutions of oversight and control like special state agencies, ombudsmen, auditors and commissions. The institutions of “vertical accountability” are the institutions of popular participation, influence, voice and control, of which the political parties and elections are the first and foremost, followed by civil society organizations and the media.

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

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

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

The accountability powers, procedures and sanctions vary from country to country. In parliamentary systems, the government relies on the support or parliament, which gives parliament power to hold the government to account. For example, some parliaments can motion for a vote of no confidence in the government. In presidential systems, the president is usually elected on a separate ticket, his council (the cabinet or government) is not dependent on parliamentary approval, and he can dissolve the parliament and call for new elections. Furthermore, the president and the parliament can establish other, specialised watchdog and oversight institutions, and bestow these with considerable independence, capacity and powers. We have for instance the Supreme Audit Institutions, the ombudsmen, the central bank, anti-corruption commissions and a number of other specialized institutions, given the political will of the day.

Regarding the non-elected government officials (the bureaucrats and administrators), the internal rules and norms, structures of authority, and some independent commissions are the main mechanisms to hold civil servants accountable. Within a department or a ministry, firstly, behaviour is bounded by rules and regulations; secondly, civil servants are subordinates in a hierarchy and accountable to superiors. Nonetheless, there are also independent “watchdog” units to scrutinize and hold departments accountable; legitimacy of these commissions is built upon their independence, as it avoids any conflicts of interest. Apart from internal checks, some “watchdog” units accept complaints from citizens, bridging government and society to hold civil servants accountable to their citizens.
Under pressures for decentralization and privatisation of government, services provided are nowadays more “customer-driven” and should aim to provide convenience and various choices to citizens. Within this perspective, there can be “competition” between public and private services providers, and ideally this can improve the quality of services. Outsourcing of services is one means to adopt public services to market mechanisms; the government can choose among a list of companies for service provision. Within the contracting period, government can hold the company accountable by rewriting contracts or by choosing another company. The standard of assessment for accountability is nevertheless the same; it is the “responsiveness of service providers to the “sovereign” customers.

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

Transparency:

Transparency is openness of information. The concept of transparency can be defined as a principle that allows those affected by political and administrative decisions to know not only the basic facts and figures but also the principles, mechanisms and processes leading up to a decision. It is furthermore the duty of politicians, civil servants and managers to act visibly, predictably and understandably. Transparency is the principle of public access to information, accessible to all relevant stakeholders, in a timely and reliable way. Effective use of public revenues is strongly linked to accountability, which For instance, the financial costs of and time consumed in providing full transparency (access to information for all) can be higher than the practical use of the information (information overload); and a little transparency in a corrupt setting can reveal who is “up for sale”. in turn requires transparency of information. A country’s citizens need to know about government revenues and expenditures, because this
information can help them to exert pressure on their governments for better spending on key basic services such as health and education, for example. Thus, transparency is closely connected to accountability, as transparency is a prerequisite for accountable government.

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

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

**Fairness:**

Fairness is another duty or ethical obligation of democratic rule and of the public sector. Fairness is justice, both in terms of equality for the law and in terms of distributive justice. However, Kinchin argues that “fairness” is perhaps the most central, yet frustratingly vague principle of an effective public sector code of ethics, and that it is a difficult concept to define. Impartiality is a core concept of fairness; impartiality is a principle of justice holding that decisions should be based on objective criteria, rather than on the basis of bias, prejudice, or favouritism (preferring the benefit to one person or group over another person or group, for improper reasons like greed, political support or familiarity).

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

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

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

vi. Public Integrity:

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

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

When used as a virtue term, ‘integrity’ refers to a quality of a person's character; however, there are other uses of the term. One may speak of the integrity of an ecosystem, a computerized database, a defence system, or a public agency. When it is applied to objects, integrity refers to the wholeness, intactness or purity of a thing; meanings that are sometimes carried over when it is applied to people. Integrity is also attributed to various parts or aspects of a person's life. It speaks of attributes such as professional, intellectual and artistic integrity. Philosophers have been particularly concerned to understand what it is for a person to exhibit integrity throughout life. What is it to be a person of integrity? Ordinary discourse about integrity involves two fundamental intuitions: first, that integrity is primarily a formal relation one has to oneself, or between parts or aspects of one's self; and second, that integrity is connected in an important way to acting morally, in other words, there are some substantive or normative constraints on what it is to act with integrity.

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

vii. Administrative Reforms:

Administrative traditions can vary depending on a country’s culture, but there are
generally shared views as to how public servants should fulfil their duties –
democratically with accountability; transparently with integrity; fairly, honestly and
effectively. However, these values can come into conflict with other expectations. For
example, family members and others may believe that they should be provided with jobs,
with contracts or simply with government property (as noted for instance in the
Bangladesh example above). Intense pressure can be brought to bear on a family member
in public employment by the expectation that they will provide for various members of
the extended family – even when pay levels are barely sufficient to meet the immediate
personal needs of the public employee. On top of these pressures, situations arise where
the right decision is not an easy one to make or when it is difficult to identify even where
the ethical dilemma lies. This makes it essential for civil servants to observe s
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Reforming the wage structure to provide public sector employees with suitable pay and other benefits can be an important tool to change the incentive structure for public servants, but also to make remuneration more transparent, to eliminate underpay and to win more skilled personnel for the public sector.

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

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

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

**Recruitment and Promotion:**

No institution can be expected to perform with professionalism in the absence of qualified and motivated personnel. One of the most destructive features of corruption is when people are appointed to public service based on their connections rather than on their capabilities.
The institutional arrangements for selecting, recruiting, promoting and dismissing public servants are central to the proper functioning of the public sector and can best be provided through legislation. The right people have to be attracted to the right posts. This, in turn, means that the positions themselves need to be sufficiently attractive to qualified citizens and be a viable alternative to the private sector.

A public service whose members are appointed and promoted based on merit will be far less susceptible to corruption than one based predominantly on political and personal connections. In a meritocracy, staff advances on the basis of their performance and they owe their positions, at least in part, to the public they serve. Where positions have been obtained through powerful connections, the loyalty is to the connection, not to the institution to which the person has been appointed. Frequently, the beneficiary of such an appointment will look to his or her patron to protect them if they encounter any difficulties. Appointees of political parties can pose particularly difficult problems for managers who may be less well-connected.

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

However, a purely merit-based civil service may have to be varied to accommodate affirmative action programs consistent with democratic practices.
Whistle blowing:

Whistle blowing means calling attention to wrongdoing that is occurring within an organisation. There can be special arrangements like “hotlines” within the organisation or office, or a specially created inter-departmental hotline for certain issues, like smuggling or corruption, in order to facilitate whistle blowing. A whistle blower is sometimes called a “leaker”, “informant” or “deep throat”. There are four ways to blow the whistle:

Reporting wrongdoing or a violation of the law to the proper authorities (such as a supervisor, a hotline or an Inspector General)

Refusing to participate in workplace, wrongdoing

Testifying in a legal proceeding

Leaking evidence of wrongdoing to the media

Of course, whistle blowing goes on in the private sector, but because government is supposed to be open and transparent, full disclosure of unethical or illegal behaviour in the public sphere is particularly important. Not all of the problems in the public sphere are, however, generated within the government organization; outside vendors, contractors, and individuals can participate in and even breed for instance corruption, fraud and embezzlement.

Whistle blowing has to do with ethics because it represents a person’s understanding, at a deep level, that an action his or her organization is taking is harmful; that it interferes with people’s rights, is unfair, or detracts from the common good. Whistle blowing also calls upon the virtues, especially courage, as standing up for principles can be a punishing experience. Even though laws are supposed to protect whistle blowers from retaliation, people who feel threatened by the revelations can ostracize the whistle blower, marginalizing or even forcing him or her out of public office. On the other hand, there have been occasions when the role of whistle blower has earned respect and been catapulted into higher office.
There is a useful distinction between external and internal whistle blowing. The argument is that agencies and offices should encourage internal whistle blowing so that problems are solved within the organisation before employees feel they must go outside to get action. Then there are suggestions about how to encourage internal whistle blowing in companies. Some of these measures include the establishment of an agency internal policy about reporting illegal or unethical practices (a policy which should be open, transparent, well published and include formal mechanisms for reporting violations), such as hotlines and mailboxes, clear communications about the process of voicing concerns, such as a specific chain of command, or the identification of a specific person to handle complaints. Then, there should be clear communications about bans on retaliation.

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

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

However, whistle blowers in the public sector often face the unique problem that their disclosure may constitute a crime. This can create an ethical dilemma when the ongoing misconduct is severe and there is no reasonable prospect that the abuse will end absent blowing the whistle. If this process does not produce results, if wrongdoing is not being addressed within the organization, it may be time to move outside; to someone with authority over the agency, the legal system, or the press.

**Conflict of Interest:**

A conflict of interest is a situation in which someone in a position of trust and responsibility, such as a politician, civil servant, executive or director of a corporation or a medical research scientist, lawyer or physician, has competing professional and personal interests. In other words, a conflict of interest arises when a public sector employee or official is influenced by personal considerations when carrying out his or her
job. Such competing interests can make it difficult to fulfil his or her duties impartially. Some of the most common forms of conflicts of interests include self-dealing, in which public and private interests collide, for example when a public official holds private business interests. It includes outside employment, in which the interests of the “private” job can contradict the job as a public servant. This is the revolving door politics, in which government workers or elected officials work for the companies they should regulate. It also includes family interests, for instance when a spouse, child, or other close relative is employed (or applies for employment) or where goods or services are purchased from such a relative or a firm controlled by a relative. Besides, it includes gifts from friends who also do business with the civil servant receiving the gifts.

A conflict of interest exists even if no unethical or improper act results from it. A conflict of interest can create an appearance of impropriety that can undermine confidence in the person, profession, or court system. Conflicts of interest do apply to a range of professionals and office-holders. A conflict of interests arises when anyone has two duties which conflict. For example, an employee might have a duty to well and faithfully perform their work as purchasing manager, and might also have a familial duty to their sibling who happens to be tendering for the sale of widgets to the manager's employer. In this case the employee has a conflict of interests despite the fact that he is not a lawyer, doctor, politician, etc.

**Identifying Conflicts of Interest:**

Most conflicts of interest are obvious: Public officials who award contracts to themselves, members of their family or to their friends or political patrons; public officials who personally hold – or whose close relations hold – shares in companies subject to their regulation, with which they are contracting or to which they are granting licences, etc. These conflicts require no explanation. They present circumstances that pose a threat to the public interest, however honest the official may claim to be. Conflicts of interest situations cannot be avoided. It is inevitable that, from time to time, personal interests will come into conflict with work decisions or actions. For these to be identified from the outset is important if confusion and misunderstandings are to be avoided.
Managing and Preventing Conflict-of-Interest Situations:

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

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

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

Clientelism, Favouritism, Nepotism:

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

Favouritism or cronyism is a mechanism of power abuse implying “privatisation” of and a biased distribution of state resources. Favouritism is to grant offices or benefits to friends and relatives, regardless of merit. Favouritism is quite simply the normal human proclivity to favour friends, family and anybody close and trusted.
In the political sphere, favouritism is the penchant of state officials and politicians, who have access to state resources and the power to decide upon the distribution of these, to give preferential treatment to certain people when distributing resources. The purpose is to sustain and prolong one’s power, position and wealth.

Clientelism is the rather common proclivity to favour one’s kinship members (family, clan, tribe, ethnic, religious or regional group). In most non-democratic systems, the president has for instance the constitutional right to appoint all high-ranking positions. This easily ads up to several hundred positions within the ministries, the military and security apparatus, in parastatal and public companies and agencies, in the diplomatic corps and in the ruling party. This legal or customary right, of course, extends the possibilities for (and intensifies) all kinds of favouritism.

Nepotism is the special form of favouring family members (wife, brothers and sisters, children, nephews, cousins, in-laws etc.). It is a special form of favouritism, in which an office holder (ruler) with the right to make appointments prefers to nominate to prominent positions his proper kinfolk family. Many unrestricted presidents have tried to secure their (precarious) power position by nominating family members to key political, economic and military/security positions in the state apparatus. When “successful”, deeply nepotistic systems are getting closer to a “mafia” because of the shared family “values” and loyalties. Other kinds of favouritism is for instance when certain people are commissioned to buy privatised public property (cheaply), or given preferences, state guaranteed or subventioned loans, or selected as entrepreneurs for public works, nominated to represent corporate interests in various public councils and committees, and given other privileges through various economic policies. Through such mechanisms, many politicians and bureaucrats have been able to move from public position into private business, to transfer public power into private wealth. The kind(s) of favouritism that will be preferred in each instance is dependent on the political and strategic needs of the day, and on cultural and social patterns.

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

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

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

Gifts and Gratuities:

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

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

Feelings of obligation can arise with the acceptance of a free meal, tickets to a sporting event or discounts on commercial purchases. Once such a gift is accepted, a public official can be compromised. If the giver later requests favourable treatment, it can be difficult for the official to refuse. The giver may even threaten to allege that the official asked for the gift in the first place. Individuals attempting to corrupt public officials often start with small inducements that appear to have no improper motive behind them. One way officials can become involved in corruption is by rationalizing their acceptance of a gift or benefit.

Frequently used rationalizations include that everybody else does it, that the motivation of the giver is purely one of generosity, kindness or friendship; that the exchange of gifts and benefits harms no one; that gifts and benefits foster the development of beneficial business relationships (which encourage administrative efficiency by allowing red tape to be cut); that gifts and benefits are merely part of cultural rituals or practices (and consequently, to refuse may cause offence); and that public officials are not paid enough.

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

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

**Assets and Income Disclosure:**

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

Some countries require senior officeholders to divest themselves of major investments, while others require the disclosure of incomes, investments and property prior to entering a public position and regularly thereafter. Although those who are taking bribes will not accurately complete the disclosure of assets and income, it is thought that the requirement that they formally record their financial positions lays an important building block for any subsequent control, either by the media or the legal system. It would, for example, preclude office holders from suggesting that any later wealth that had not been disclosed was, in fact, acquired legitimately.
Anticorruption activists, the media and the police can follow closely the development of effective and fair regimes for the monitoring of the incomes, assets and liabilities of senior public officials. If they can be made to work – and there are obvious difficulties – then they will serve as a valuable tool in restraining abuses of office.

viii. Corruption:

“Corruption is one of the greatest challenges of the contemporary world. It undermines good government, fundamentally distorts public policy, leads to the misallocation of resources, harms the public sector and private sector development and particularly hurts the poor”

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

The issue of corruption has to some extent entered the political and economic sciences from the new interest in the role of the state in the developing world, and in particular from the idea that the state is an indispensable instrument for economic development. In contrast to the largely rejected “state-dominated” and “state-less”
development models, there is now much consensus on the relevance of an efficient medium-sized state in economic development.

**Political corruption:**

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

Even when the distinction between political and bureaucratic corruption is rather ambiguous as it depends on the separation of politics from administration (which is unclear in most political systems), the distinction is important in analytical and in practical terms. Political corruption occurs at the top level of the state, and it has political repercussions. Political corruption not only leads to the misallocation of resources, but it also affects the manner in which decisions are made. Political corruption is the manipulation of the political institutions and the rules of procedure, and therefore it influences the institutions of government and the political system, and it frequently leads to institutional decay. Political corruption is therefore something more than a deviation from formal and written legal norms, from professional codes of ethics and court rulings. Political corruption is when laws and regulations are more or less systematically abused by the rulers, side-stepped, ignored, or even tailored to fit their interests.

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

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

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

Controlling political corruption:

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

Horizontal accountability is of particular importance in combating political corruption. This refers to the system of institutional checks and balances, of constitutional
and institutional controls in-between elections. These include, among others, the executive (government and state administrative agencies), the judiciary and the legislature, and the various special institutions of oversight and control like ombudsmen, investigators, attorneys and auditors. Most political systems include formal rules and procedures meant to restrain the exercise of political power and to safeguard human and political rights, but the formal establishment and existence of institutions of horizontal accountability does not in itself mean that they are efficient. In developing countries with embedded political corruption these institutions are particularly weak.

**Bureaucratic corruption:**

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

**Controlling bureaucratic corruption:**

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

The list of possible measures and tools for maintaining better Ethical Culture in the organization:
➢ Institution building
  ● Civil Service Reform
  ● Codes and standards of conduct

➢ Preventive measures
  ● Openness and transparency
  ● Result oriented management
  ● Using positive incentives to improve employee culture and motivation
  ● Public complaints mechanisms
  ● Formulating a national anti-corruption strategy
  ● Citizen’s Charters and Integrity Pacts
  ● Awareness building through radio and television spots, awareness campaigns
  ● Comprehensive ethics programme for small and medium-sized enterprises

➢ Enforcement
  ● Guidelines for investigations
  ● Electronic surveillance operations
  ● Whistleblower protection
  ● Mutual legal assistance

➢ Monitoring and evaluation
  ● Service delivery surveys
  ● National Integrity Studies/Country assessments
  ● Mirror statistics as investigative and preventive tool
  ● Measurable performance indicators in the judiciary

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


Articles included


