

GUYANA: Building Effective Local Governance

TRAINERS' MANUAL



*Ethics and Corruption*  
Module 5

**ETHICS & CORRUPTION  
TRAINERS' MANUAL  
MODULE 5**



The National Democratic Institute for International Affairs (NDI) was established in 1983. By working with political parties, civic organizations, parliaments and other institutions, NDI seeks to promote, maintain and strengthen democratic institutions in new and emerging democracies around the world. The Institute is headquartered in Washington, D.C., and has a staff of 150 in approximately 40 field offices around the world.

NDI's programs focus on six major areas: political party training, election processes, strengthening legislatures, local government, civic organization and civil-military relations.

**Text by:** Kenneth Jordan  
**Edited by:** Wallace Rogers  
Winston Cramer  
Jean Freedberg

**Illustrations & Cover Design:** Jean Skeete  
**Layout & Design:** Shelida Walcott & Jean Skeete

Copyright © National Democratic Institute for International Affairs (NDI) 1999. All rights reserved. Portions of this work may be reproduced and/or translated for noncommercial purposes provided NDI is acknowledged as the source of the material and is sent copies of any translation.

This publication was made possible through support provided by the U.S. Agency for International Development.

# CONTENTS

## Introduction

### OBJECTIVE 1

#### Concepts:

Ethics	6
Corruption	7
Ethics & Corruption	7
Definition of Terms Used	7
<b>Methodology</b>	<b>8</b>
<b>Activity</b>	<b>8</b>
<b>Materials</b>	<b>8</b>

### OBJECTIVE 2

#### Concepts:

Causes of Corruption	9
Types of Corruption	10
Effects of Corruption	11
<b>Methodology</b>	<b>11</b>
<b>Activities</b>	<b>11</b>
<b>Materials</b>	<b>11</b>

### OBJECTIVE 3

#### Concepts:

Promoting Ethical Behavior among Councillors	12
Incorporating Ethics into an Organisation	12
<b>Methodology</b>	<b>14</b>
<b>Small Group Activity</b>	<b>14</b>
<b>Materials</b>	<b>14</b>

<b>CASE STUDY 1</b>	<b>15</b>
---------------------	-----------

<b>CASE STUDY 2</b>	<b>16</b>
---------------------	-----------

<b>CASE STUDY 3</b>	<b>17</b>
---------------------	-----------

### HANDOUTS:

<b>#1</b>	<b>Value Assessment Consensus</b>	<b>18</b>
<b>#2</b>	<b>Ethical Choices Learning Activity</b>	<b>19</b>
<b>#3</b>	<b>Contents of an Effective Ethics Training Program</b>	<b>20</b>
<b>#4</b>	<b>Corruption</b>	<b>21</b>
<b>#5</b>	<b>Detecting Corruption</b>	<b>22</b>

<b>REFERENCES</b>	<b>23</b>
-------------------	-----------

## INTRODUCTION

Every local official is aware that the activities of council provide for interaction . Their interactions are governed by a system of beliefs, values and standards called *Ethics*. This module, *Ethics and Corruption*, is part of a 10-module local government trainers' manual. It explores the interrelationship between ethics and corruption, identifies the causes and forms of corruption and assesses its impact on performance. The module also discusses strategies for promoting desirable ethical behaviour and eliminating corruption. Three case studies and several handouts are included in this module.

This local government trainers' manual is one in a series of collaborative efforts between the Ministry of Regional Development and Local Government and the National Democratic Institute for International Affairs (NDI) in strengthening local democracy. It is aimed at providing training tools for local government trainers and is intended to assist the Ministry in institutionalizing training of local officials. The manual consists of 10 modules each developed by persons who facilitated local government training workshops sponsored by the Ministry and NDI and held between 1996 and 1998 . Each module has the unique distinction of being prepared by someone who was integrally involved in training local officials. Consequently, all references, case studies, handouts and the overall content of each module were developed with the specific needs of the Neighbourhood Democratic Councils in mind, and the subject areas were determined after conducting a training needs assessment of the NDCs. The design of each module takes into account the need for interaction between trainer and trainee, hence much emphasis is placed on participatory methodology. The manual was designed specifically for training local officials, but with some adaptations it can be also used for general training purposes.

During the past four years, NDI and the Ministry of Regional Development and Local Government have collaborated on a number of programs aimed at strengthening local democracy in Guyana. These include orientation seminars for Neighbourhood Democratic Councils, held after local government elections in 1994, the Local Government Summit in 1995, Local Government Training Strategies Seminar in 1996 and NDC training workshops in 1996 and 1998. As a result of the Local Government Summit, and in response to requests by councillors for resource materials that would provide them with basic tools necessary for effective and efficient performance, NDI facilitated the development of *A Guide for Local Councillors*. In 1997, NDI worked with the Ministry to develop a local government directory to improve communication between citizens, NGOs, and political parties with local officials. In addition, NDI has facilitated the attendance of local officials at various regional and international conferences.

## Objective 1

To define ethics and corruption and explore the interrelationship between the two concepts.

### CONCEPTS

#### ○ ETHICS

Ethics is the system of beliefs, values, standards and behaviors that govern the conduct of people when they interact with one another. Ethical standards can be legislated, but beliefs and values cannot. These are products of the socialization process. They are acquired through interaction with social institutions like the family, religion and culture.

Ethics involves our mind, conscience, our character and how we apply them when we interpret and adhere to societal rules and regulations. They determine how we make decisions that affect not only ourselves, but those around us as well. Since we do not live in isolation but in a connected society, ethics involves giving honest consideration to underlying motives, to potential harm, and to consistency with established values.

**ETHICS = character + concern for the community**

For public officials, ethics refer to their moral position when they interpret rules and regulations governing their conduct while in public office, as they interact with members of the public, fellow employees, political and administrative superiors and society as a whole. It is concerned with the nature of obligations and duties, the balancing of conflicting values, the 'goodness' and 'badness' of administrative practices. When a public official's performance results in immoral or unethical administrative practices, this is referred to as corruption.

## **ETHICS & CORRUPTION**

### ● **CORRUPTION**

Corruption is unethical or immoral behavior that involves direct contravention of established rules for personal gratification, be it for tangible or intangible gains. Corrupt practices range from doing something prohibited such as leaking confidential information to a private contractor, knowingly failing to do something you are required to do, e.g. like taking an action in your capacity as chairman of the Neighborhood Democratic Council without consulting the councillors, or performing a permissible act in an improper fashion , e.g. like convening a meeting at short notice to pass a resolution and doing so without a quorum.

### ● **ETHICS AND CORRUPTION**

Ethics and corruption do not co-exist. When there is a breakdown in ethics, corruption, a natural spin-off of unethical practices, surfaces .

#### **Definition of Terms Used:**

##### **Ethics**

Behavior that is honest, fair, and healthy for society, that enhances and preserves the legitimacy of the democratic local government.

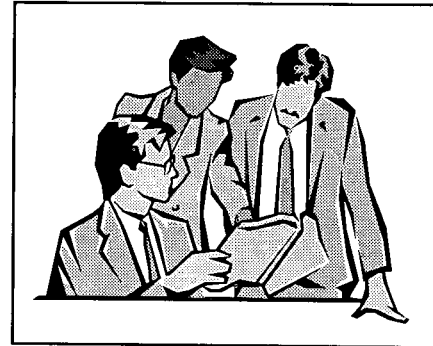
##### **Corruption**

Illegal, unethical and immoral behavior that is a deviation from a community's social or cultural values and commonly-held notions of propriety.

**METHODOLOGY:** Small group work Lecture/ Discussion

**ACTIVITY:** A small group activity will be followed by lecture, discussion and then large group learning activity.

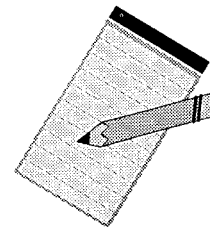
Participants will get to know each other and explore each other's values. They will be divided up into groups of no more than five and asked individually to drop three of the ten values given in **Handout 1** that they think are least important. For about five minutes, as a group, participants will try to agree on the seven remaining most significant values. It can be anticipated they will have difficulty agreeing since people's values and ethics differ according to experiences and upbringing. (Allow ten minutes for this activity.)



**LECTURE DISCUSSION:** Participants responses will be used to initiate discussion on topic "Ethics & Corruption".

**SMALL GROUP ACTIVITY:** Ethical Choices Learning Activity - **Handout 2**  
Participants will examine concepts of ethics and values by considering examples of ethical dilemmas.

**MATERIALS:**  
Flipchart and markers  
Sufficient copies of handout for all participants  
Pens and pencils  
Writing pads/paper





## Objective 2

To identify the causes and forms of corruption and their impact on the performance of individual councillors and the council as a whole.

### CONCEPTS

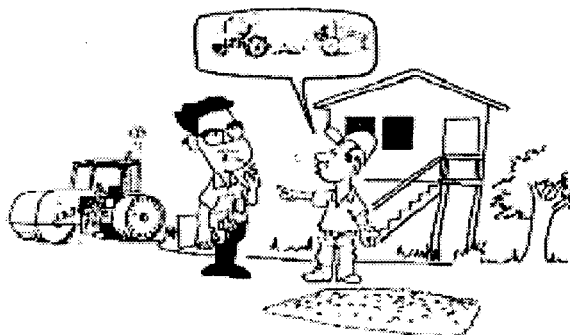
#### ○ CAUSES OF CORRUPTION

Corruption thrives in an environment where three basic conditions are present. These conditions may, by themselves, or in combination with others, foster corruption:

○ **Incentives:** Where councillors' remuneration, such as salaries, allowances and benefits are low, opportunities for corruption are abundant. This situation is worsened when public action is not prompt, there are few enforcement officers, little supervision is provided and where the rules are either not clear or are contradictory.

○ **Opportunity:** Corruption will occur where the opportunity is greatest, where decisions are made by very few people, where public action need not be accounted for or explained, and especially where the outcome of a decision is not publicly known.

○ **Risk:** Corruption is most likely to occur where the risk of being caught doing something unethical is minimal. Risk of corruption is highest in communities where there are no regulations designed to prevent corruption, where rules aimed at stopping corruption are not enforced, where even the most blatant abuses result in little or no penalty and where corruption is assumed to be part of the way things are done.



● **TYPES OF CORRUPTION**

Corruption has many faces at many levels. Corrupt practices fall into the following categories:

**1. Conflict of Interest**

This is one of the most common forms of unethical conduct and the type best known to the public. This may include:

**a) Self dealing** - a situation where a public official is involved in awarding a public contract to a private business with which the official is associated, or from which the official stands to gain something; when the official approves an advancement of, or makes an appointment of a relative or friend without fair consideration of qualification or merit.

**b) Accepting benefits** - the acceptance of gifts, vacations, or money that can reasonably be assumed to have been offered because of the official's position and the giver's having business with the public body.

**c) Influence peddling** - the practice of soliciting some benefit from individuals or organizations in exchange for the exercise of one's official authority or influence on their behalf.

**d) Using confidential information** - using inside information about decisions made within the council for private gain.

**e) Misuse of public funds or property** - embezzlement, expense account padding, taking unnecessary trips at public expense.

**2. Abuse of Power**

There are many ways in which public servants abuse power. These include granting preferential treatment in employment decisions, taking or providing privileges that are beyond those available to others within the organization, using one's position for private gain (favors, money, outside work, sex), using public property for private use, intimidation or threats to influence the actions of others and selective use of by-laws and regulations to grant favors to friends or punish enemies.

## ETHICS & CORRUPTION

### ● THE EFFECTS OF CORRUPTION ON COUNCILLORS AND THE COUNCIL AS A WHOLE

Where corruption exists, not only are resources wasted, but there are also other negative impacts. Unethical behavior breeds suspicion, destroys trust, devastates morale, creates finger-pointing and requires extensive damage control. High ethical standards are critical to a local government's credibility with the public and private agencies it deals with. While it is often politically difficult to enforce a regulation or increase taxes and charges, it is near-to-impossible when corruption is rampant.

**METHODOLOGY:** Lecture /discussion, case study analysis and reporting

**ACTIVITIES:**

- a) Participants will be given **Hand-outs 3 and 4**. Causes and types of corruption will be discussed, the facilitator leading the discussions.
- b) Participants will form small groups of not more than five people to analyze two cases involving corruption. Group reporting and discussion will follow.

**MATERIALS:** Cases, writing paper pens, markers and hand-outs.

## Objective 3

To discuss strategies for promoting ethical behavior and eliminating corruption among councillors.

### CONCEPTS

#### ○ PROMOTING ETHICAL BEHAVIOR AMONG COUNCILLORS

There is more to being ethical than the mere avoidance of corruption. Councillors need to develop a set of principles to guide their day-to-day behaviours. These include always acting in the public interest, being politically neutral when performing administrative duties, not disclosing confidential information, respecting the privacy of citizens and employees; avoiding conflict of interest and being accountable.

#### ○ INCORPORATING ETHICS INTO AN ORGANIZATION

Local government councils are governed by local government laws. However, standards, behavior, and values cannot be legislated and need to be developed by individual public officials. There are many ways to foster ethics in an organization, including:

- Create a code of ethics, communicate it effectively, and adhere to it.
- Limit opportunities to be unethical by establishing checks and balances.
- Developing and implementing regular training programs.

#### **Create a code of Ethics:**

Developing a written code of ethics and promoting it helps control administrative behavior in local authorities. There are a number of important elements in a good code of ethics:

- The code should emerge from the group to which it is going to apply.
- If the code is to have any chance of becoming a living part of the local authority, it must be realistic.
- The code should be written in plain, non-legal language.

## ETHICS & CORRUPTION

- A good code cannot ignore law; it must be consistent with existing regulations or laws to which a public servant is subject.
- Do not make the code unwieldy, lifeless and bureaucratic.

### Limiting opportunities to be unethical

In most cases, officials and employers who are involved in unethical activities cover their tracks, either by silencing co-workers or by attempting to provide a legitimate cover for their activities. Where a cover is in place, detecting unethical or corrupt activities is difficult. Here are some steps that can help detect them:

- Keep official records. They are the best source of information of government activity. Their perusal can uncover evidence of specific crimes.
- Establish and maintain strong and effective management practices. Opportunities for corruption increase where poor management exists and where management is not using the tools at hand to limit opportunities and minimize risks. Councillors and council employees will be more likely to feel they can get away with corruption if they think no one is looking, if they've gotten away with it before, or if it appears to be condoned.
- Use audits as a mechanism to limit unethical and corrupt acts, audit procedures are geared towards ensuring the financial integrity of operations, and their conformity with local authority regulations. Failure to audit functions and processes thoroughly for accountability allows corruption and abuse to remain concealed.
- Putting together an ethics team has been a useful tool in many organisations. A confidential ethics team might investigate suspected instances of unethical behavior and can help develop and implement preventive programs and practices.

### NOTE:

*Ethics management is not a single event, it is a continuing process. The team needs to meet frequently, and create ways for getting the organization and the people who work in it, to adapt and improve behaviors. The ethics team can monitor ongoing audits and review procedures to determine what actions need to be taken to solve problems and maintain an ethically sound environment. Ethics teams may be tasked with responsibility for reviewing the Council's policies, rules, and regulations.*

**Developing and implementing regular training programmes:**

Training is an important part of preventing corruption. If employees are not provided with relevant training, one cannot reasonably claim that they “should have known better” when a problem arises. Since ethical behavior is a learned behavior, and performance improves with reflection and practice, the challenge is to create organisational processes and ethical reflection and discourse that encourages people in the organisation to improve decision-making outcomes.

The purpose of this training is to ensure that all councillors understand not only the special nature of public service, but also the obligations imposed by their responsibility to maintain the public’s trust. Many improprieties result from ignorance about what is construed as wrong by the organisation or the public.

The training should communicate to councillors the laws, executive orders, regulations and conditions of employment to which they must conform, and the ethical principles and standards they can apply, to determine if an action is in the public interest.

**METHODOLOGY:**

Group lecture/discussion

**SMALL GROUP ACTIVITY:**

Participants will be given **Case Study 3** to discuss and present short reports expressing views on strategies to adopt.

**MATERIALS:**

Handouts will be distributed and discussion follows. Participants will be asked to use the information presented to formulate a code of conduct for their Neighborhood Democratic Council.



## CASE STUDY 1

The following conversation takes place between two Councillors in the Local Authority Office.

**Mike:** *I understand that you've had a request for financial assistance from a rice miller.*

**Frances:** *We've been flooded with requests lately, Mike. This has been a bad year; lots of severe flooding in the region. The relief assistance available doesn't begin to meet the demand. But I think I know the rice miller you're talking about. He is in Essequibo, isn't he?*

**Mike:** *Yes, that's the one. They've been in touch with me and apparently they're in a real crisis situation. Frankly Frances, they're afraid that they'll have to shut down if they don't get some financial help soon.*

**Frances:** *That doesn't sound good. But I received their application this week. With the pile of applications on my desk right now, it will be another month or two at least before I can get to it.*

**Mike:** *That'll be too late. The owner of the mill is married to my sister, so I told him I'd look into the situation. I think their financial situation is critical enough to justify putting their application at the top of the pile.*

### Issues:

- ? Is the firm's reported dire financial situation a sufficient justification for Mike to involve himself in the application vetting process?
- ? How should Frances respond to Mike's request?
- ? How would the average citizen react to this situation?
- ? Would the case be handled any differently if Mike were not related to the owner of the mill?
- ? Should information about the firm's critical financial situation be ignored because of the source of the information?

**CASE STUDY 2**

The following conversation takes place between Natasha and Mario, two officials of the Rise and Shine Neighborhood Democratic Council.

**Natasha:** *What are we going to do about that new contract that's come up?*

**Mario:** *That work would have been Crammer's responsibility.*

**Natasha:** *Yes, but he left us about a month ago and has returned to private consultancy. Before he left, though, he developed a contracting out process for programs of this kind.*

**Mario:** *Good. Have you received any bids?*

**Natasha:** *Yes, we have. Actually, we have received quite a few. In fact, one of the bids came from the contracting firm which Crammer just joined.*

**Mario:** *Well then, that firm would seem to be the logical one for handling this contract. Crammer knows exactly what's expected and he knows all the players.*

**Natasha:** *Yeah, that's true, but it may not look so good giving the contract to someone who set up the process and worked here until a month ago.*

**Mario:** *Are you suggesting that we have to exclude the best qualified contracting firm because one of their consultants worked for us? Who'd work for the public service under these conditions?*

**Issues:**

- ? Would Mario be acting irresponsibly in hiring Crammers' contracting firm?
- ? Is Crammer in a conflict of interest situation?
- ? What limits should be placed on the relationship between an ex-public servant and his former employer, the Neighborhood Council?



### CASE STUDY 3

The following conversation takes place between two councillors, Steve and Anna, during a coffee break.

**Steve:** *I think the introduction of a code of ethics is a good way to improve the standard of conduct among public servants.*

**Anna:** *I think codes are useless. It's totally unrealistic to assume that you can change people's behavior by writing down a set of rules. General guidelines are too vague and don't help in specific situations, and a detailed code encourages people to become too legalistic, to try and get around the rules somehow.*

**Steve:** *I don't agree. I think a code is useful as a guideline to encourage administrative responsibility. Codes have a symbolic function.*

**Anna:** *Rules that are imposed on people from above will never effectively alter their behavior. Ethical behavior must be internalized; it must form part of the value system of the individual. We need to create an administrative culture in which people behave ethically because they really believe in a set of values.*

#### Issues:

- ? Whose position would you defend in this case, Steve's or Anna's? Why?
- ? If codes are used, should they be general guidelines, or should they be detailed enough to deal with a wide variety of circumstances?

**HANDOUT #1**  
**VALUES ASSESSMENT - CONSENSUS**

Delete any three (3) that you think are least important and rank the remaining seven (7) in order of priority beginning with the most important.

1. A satisfying family life
2. Job success
3. Having fun, excitement, job promotions
4. Satisfying friendships
5. Personal growth
6. Being a good neighbour
7. Financial achievement
8. Community contribution
9. Health
10. Professional achievement

**HANDOUT #2**  
**ETHICAL CHOICES LEARNING ACTIVITY**

1. Do you concur that it is acceptable in local government to “bend the rules” to achieve success as long as no one is hurt when you do it?
2. Would you terminate an employee’s service for accepting a \$199.00 gift from a vendor?
3. Would you terminate an employee’s service for filing a claims voucher for \$25.00 to reimburse him or her her for office supplies that were never used for official business?
4. Would you fire an employee for padding or falsifying his or her resume regarding educational attainment and employment history? If so, what if this were not discovered until the employee had been on the job almost 3 years and was performing satisfactorily?
5. Would you make a personal long distance call at work if you thought you would not get caught?
6. If your employer mistakenly overpaid you for unused holiday or vacation pay, would you keep it?
7. Do you think it is acceptable to use agency office equipment and supplies for something not work-related?
8. Would you apply for sick leave to attend to personal issues knowing that you are not sick?
9. Would you distort the truth about a situation or incident so that you could win favor with the Council Chairman or Overseer of the Neighbourhood Democratic Council? Should a relative of yours be given priority to be awarded contracts in the NDC if he or she is the only person within the NDC with the manpower and machinery to do the job?

**HANDOUT #3**  
**CONTENTS OF AN EFFECTIVE ETHICS TRAINING PROGRAM**

**All public servants need to know:**

1. The framework of statutes, ordinances, formal codes of ethics, regulations, and rules within which they must operate, and the penalties for not observing them.
2. The management philosophy and organization's rules, their enforcement, safeguards against groundless accusations or unfairness, enforcement of disciplinary codes, and appeal procedures.
3. What constitutes high ethical standards and what kinds of behavior are considered unethical.

**HANDOUT #4  
CORRUPTION**

**DIAGNOSTIC QUESTIONS**

These will help indicate whether your organizational environment might be prone to corruption.

- In your local authority, do rules and regulations clearly forbid (and clearly define) bribery, extortion, and other forms of official misconduct?
- Does your local authority have an official policy or code of ethics that explains what conduct is acceptable and what is prohibited?
- Do these rules cover all councillors and employees whose duties may offer opportunities for corrupt acts?
- Do rules prohibit the acceptance of cash payments, meals, gratuities, discounts, and favors from firms doing business with the council?
- Are there rules that prohibit employees engaging in private business during working hours, or using equipment and materials for private purposes?
- Is outside employment that conflicts with official work hours forbidden?
- Are officials forbidden to represent private dealings with local authority businesses, or take positions with firms they previously supervised or regulated?

***A "NO" answer to any of these questions indicates a deficiency that ought to be addressed.***

**HANDOUT #5  
DETECTING CORRUPTION**

Assessing whether the Local Authority has the tools necessary to detect corruption:

- ⊗ Does the local authority have ordinances or codes that require councillors or employees to disclose conflicts of interest?
- ⊗ Are councillors and employees required to disclose special knowledge of, or contacts with, firms or individuals doing business with the council?
- ⊗ Are councillors required to disclose their assets, debts, and any outside employment?
- ⊗ Is information provided by councillors available for inspection by the public and the news media?
- ⊗ Are records kept on all actions and decisions made by the government?
- ⊗ Does the local authority observe "sunshine" laws, opening all meetings to public participation and observation?
- ⊗ Does the local authority have "freedom of information" laws, guaranteeing public access to official records and reports?
- ⊗ Does the local authority have mechanisms to receive and investigate reports of corruption?

***A "NO" answer to any of the above indicates that the organization may not have the tools needed to detect corruption.***

REFERENCES

Cantrell, Rick et al: Ethics; Honesty and Fairness in the Public Service: Local Government Institute; USA, 1997.

Eitington, Julius: The Winning Trainer (3rd Ed.) Government Publishing Company: Houston, TX. 1996.

Government of Guyana: The Laws of Guyana: Revised Ed. Ch: 28:01 and Ch:28:02; Government of Guyana: Georgetown, 1977.

Kernaghan, Kenneth and Langford, John: The Responsible Public Servant: Institute of Research on Public Policy. Toronto, 1990.

Tellier, Paul, M. (Ed): Public Service 2000: A Report on Progress: Minister of Supply and Services, Ontario, Canada, 1992.