



ADDRESSING CORRUPTION:

HOW TO CATCH FLIES WITH HONEY

**A CASE STUDY OF PARTNERS FOUNDATION
FOR LOCAL DEVELOPMENT – ROMANIA**

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THE CONTEXT

Romania has been engulfed by a series of high-ranking corruption scandals in the past few years. In 2007 and 2009, Transparency International listed Romania as the European Union's most corrupt country in their annual Corruption Perceptions Index. Corruption is not a new phenomenon in Romania. It has been deeply embedded in the culture of government before, during, and after Communism. While corruption at the national government level has been brought in to sharp focus by Romania's integration into the EU, corruption at the local level is also of great concern.¹ This case study will examine the experience of Fundatia Parteneri pentru Dezvoltare Locala (Partners Foundation for Local Development) (FPDL), a Romanian non-governmental organization, in addressing corruption in local governments using an innovative and practical approach that treats corruption as a symptom of organizational malfunction, and regards the people involved as capable and honestly motivated human beings.



We will describe FPDL's mission and main activities, why it focused on addressing corruption in local governments, and the concepts of the innovative and practical anticorruption approach they utilized. We will then expand into how FPDL applied this theory by working with a Romanian local government and how FPDL implemented its strategy to disseminate this approach in Central, Eastern, and Southeastern Europe (CEE/SEE).

FPDL MISSION AND PROGRAM AREAS

FPDL is a Romanian NGO established in 1994 by a group of experts in urban planning, public administration and organization/community development. Since 1998, FPDL has been a member of the Partners for Democratic Change International network. FPDL's mission is to enhance democratic governance, to support civil society and local develop-

ment, and to promote a new culture of change and conflict management in Romania and worldwide through capacity building activities. In the last 14 years, FPDL has delivered more than 95 training events to 1,800 trainers, facilitators and consultants who now form a network of trainers and training institutions in more than 40 CEE/SEE countries.



¹ <http://www.npr.org/templates/story/story.php?storyId=120290631>

THE CHALLENGE: HOW TO OVERCOME CORRUPTION?

In the past 20 years of transition in Romania and other CEE/SEE countries, the level of corruption in public life has increased due to the weakness of democratic institutions and the decentralization of responsibility and resources at the local level.²



Rather than addressing corruption by playing a “watch dog” role, putting pressure on public institutions and leaders to behave in an accountable and transparent way, FPDL developed a different approach that was informed by the ideas contained in *Corrupt Cities - A Practical Guide to Cure and Prevention* by Robert Klitgaard, Ronald MacLean Abaroa and Lindsey Parris. Based on the experiences of Mayor Abaroa of La

Paz, Bolivia in the 1980s, the approach focused on changing the *context* in which individuals live and work, rather than focusing on changing individuals’ corrupt behavior through legal or moral pressures. It was a therapeutic approach to addressing sick institutions rather than treating the patient.³ In the book, Robert Klitgaard proposed a formula to determine an organization’s vulnerability to corruption: **C=M+D-T**, which is *Corruption equals Monopoly power plus Discretion by officials minus Accountability/Transparency*.

In 2005, FPDL developed two manuals, the first entitled “Restore the Health of Your Organization,” which was designed as a companion to *Corrupt Cities*, and the other, entitled “Program for Anticorruption Practitioners (PAP),” which translated the principles into training materials.⁴ FPDL then used their network of CEE/SEE trainers to support mayors and public managers who had the political will to recognize the corruption as an institutional problem, and to initiate strategic and participatory interventions in their organizations to treat and prevent corruption.

SELECTING A PILOT MUNICIPALITY

In 2008, just 4 months before the local elections in Romania, FPDL launched a process to select a municipality to test this approach. Three municipalities came forward and expressed their interest. Craiova Municipality, the capital of Doli County, was selected. With more than 300,000 inhabitants, it is a powerful industrial city and an important educational center with a rich cultural life. It is a city proud of its history, having been founded in 1475, and has a local

government with more than 500 employees, a directly elected mayor, and 27 elected councilors. The mayor of Craiova, Democratic Liberal Antonie Solomon, was up for re-election, and the decision to apply for the “Cities without Corruption - Cities with a Future” program was driven by Elvira Stancu, Director of the Public Relations Department of the Craiova local government and Nicoleta Miulescu, LG Legal Secretary.⁵

² Commission of the European Communities, Brussels, 9/26/2006, 5.1.

³ *Corrupt Cities* by Robert Klitgaard, Ronald MacLean Abaroa and Lindsey Parris.

⁴ The manual can be downloaded and details about PAP can be found on www.fpd.ro

⁵ Craiova, Romania Case Study.

'CITIES WITHOUT CORRUPTION' – THE CRAIOVA PROGRAM

The Cities without Corruption Program would be both strategic and participatory:

Strategic, meaning that it:

- Focuses on changing corrupt organizational systems, not just corrupt individuals.
- Identifies and treats with priority the most dangerous forms of corruption.
- Goes through the strategic planning process stages, from diagnosis of the existing situation to elaboration of solutions, in order to achieve a desired future.

Participatory, meaning that it:

- Involves analyzing the vulnerability to corruption of the managers and staff; assuming that corruption is not just a problem of bad people but of bad systems. The outside facilitator/consultant would help people discuss such systems analytically and without fear of punishment. Since corruption is a concept loaded with emotions, fear, shame or defensiveness, the facilitators would help demystify corruption and approach it in an analytical way.
- Involves outside stakeholders in the diagnosis and solution-generating process, as well as citizens, businesses and other public institutions.



The process adopted built trust between public leaders, managers, and employees, and ensured real commitment to the implementation of planned changes. People connected to each other as human beings with real concerns and issues. Relationships were improved between departments and between elected and appointed officials. The process of envisioning a positive future encouraged people to take action and bring energy to the organization; every meeting, due to the way people listened, spoke and communicated, became a model of the future they wanted to create. The discussions were positive and proactive, and the people involved talked openly about their responsibility in creating vulnerability to corruption and what they personally could do to address it.



While FPDL trainers were responsible for the quality of the process, Craiova local government representatives took the lead in monitoring the quality of the content and end products, including identifying and analyzing the activities that were the most vulnerable to corruption and would have the biggest impact on citizens' lives and the city's future. Furthermore, the government representatives elaborated next steps, or strategies, and action plans to decrease the vulnerability to corruption. Leaders realized that no vision or plan could be achieved without the continued engagement of the whole organization. The process included the following steps:

STEP 1. DIAGNOSIS

- **The preliminary self-diagnosis** was made by a small group of public leaders and managers during a residential workshop (March 2008).
- **A general self-diagnosis** followed, involving 315 employees out of 500 (April-June 2008). Supported by participants in the preliminary diagnosis workshop, the employees individually evaluated the level of monopoly, discretion and transparency/accountability of 33 activities/services that their organization provided. Of these 33 services and activities, 15 were identified as vulnerable to corruption, and 6 were selected to be the focus of the Strategic Plan in a management meeting in July 2008.
- **An in-depth diagnosis** followed each of these 6 activities in August 2008. Individually, leaders, managers and staff answered the questions: What corrupt activities could take place? Who may gain and who may lose if this happens? Why and what are the causes that may allow these corrupt activities to happen?

STEP 2. DEVELOPMENT OF SOLUTIONS

- **Working groups** were formed around each of the 6 activities in September 2008, supported by FPDL experts, to analyze the causes of the vulnerability to corruption and to elaborate strategies to address them.
- Based on ideas generated by the working group members, the **Strategic Plan 1st Draft** was developed and validated from October 2008-January 2009, and approved by the Municipal Council in March 2009.
- **An evaluation of the implementation progress** and identification of the obstacles encountered followed in August 2009.
- **In order to reach outside stakeholders, quantitative and qualitative research was conducted**, involving target beneficiaries and clients of the activities/services identified as vulnerable to corruption. From March to June 2010, they confirmed the internal diagnosis results and proposed solutions. Councilors were invited to join the process and improve relations with the executive side of the organization. Training was embedded in the process, which supported the implementation of the strategic plan by improving managers', staff's, and councilors' understanding and knowledge of their organizational culture, the use of different managerial styles for staff development, and the process of change management (March-July 2010).

STEP 3. IMPLEMENTATION

- **An Implementation Action Plan for 2010-2012** was elaborated, including clear responsibilities, timing and success indicators for the end of October 2010 and for the end of 2012.
- **A series of debates and presentations** was organized to inform and involve outside stakeholders to support the action plan implementation (at local, national and international levels), which included citizens, members of the consultative committees, youth NGO members, central government representatives, chief architects from three other large municipalities, mayors attending the Association of Romanian Municipalities General Assembly, international events attended by Ronald MacLean Abaroa, and anticorruption practitioner teams from Croatia, Georgia and Poland (July 2010-January 2011).

STEP 4. EVALUATION

- **Impact evaluation research inside the Craiova Local Government and the final evaluation meeting** was organized in November 2010 to identify progress in the action plan implementation, the most useful lessons learned, and to discuss the managers', councilors' and employees' perceptions of any changes that occurred. The process of the strategic plan implementation is ongoing.

A variety of actors were involved including:

The Process Coordinator

(Craiova's Municipal Secretary)

Craiova's internal leadership team

(Public Relations Department Director and her team)

FPDL Anticorruption Practitioners

(led by Ana Vasilache and Nicole Rață)

The Core Group comprised of 25-35 members: the Secretary, managers and staff working for different departments/services, as well as 10-15 local councilors who were involved in the preliminary diagnosis, the organizational culture and human resource management analysis, as well as in the strategies and action plan elaboration

The organization managers and staff: 315-318 persons (from a total of more than 500) were involved in completing questionnaires throughout the different stages of the process (general diagnosis, human resource management analysis, evaluation of the strategic plan implementation progress), or in participating in the mid-term and final meetings remain informed about the strategic planning process progress and results.

Working Group members were formed by 10-12 persons each (50-60 persons in total), many of them belonging to the core group joined by their colleagues

Outside Stakeholders: 30 clients/beneficiaries of the services most vulnerable to corruption were involved in focus groups and interviews to identify the problems they experienced in their respective services and the solutions they proposed; 77 representatives of citizen consultative committees, NGOs, central government and design/construction companies took part in the debates organized to inform and involve them in the strategic plan implementation; 56 mayors and members of the Romanian Municipalities Association were informed about the Craiova experience and received the booklet "Healthy Organizations – treating and preventing the vulnerability to corruption in local governments" that describes the concepts, the process and the results



RESULTS

The General Diagnosis was carried out in two steps: the preliminary diagnosis completed by the core group members, and the extended diagnosis done by 315 employees, supported by the core group members. In the preliminary diagnosis, the vulnerability to corruption was identified based on the formula developed by Robert Klitgaard: $\text{Corruption} = \text{Monopoly} + \text{Discretion} - \text{Transparency (or Accountability)}$.⁶

Employees from 12 departments completed the questionnaires. Based on responses to questions asking about vulnerability to corruption, an indica-

tor was constructed with 4 intervals. 15 activities and services out of the 33 (45%) were identified as vulnerable to corruption (with rates between 3.07 and 3.86). All 15 activities/services identified as vulnerable to corruption were also evaluated as having a significant negative impact if corruption were to occur; 6 of the 12 departments/divisions were responsible for the activities vulnerable to corruption. These results were validated by 31 persons, top managers and members of the Core Group.

⁶ *Corrupt Cities* by Robert Klitgaard, Ronald MacLean Abaroa and Lindsey Parris.



The following 6 activities were selected to be the focus of the Strategic Plan, and Working Groups were organized around each activity:

- 1: Issuing of urban certificates, building and demolition permits
- 2: Control of discipline in construction works
- 3: Public assets management
- 4: Public procurement
- 5: Properties registration
- 6: Human Resource Management

IN-DEPTH ANALYSIS

Further in-depth analysis was conducted involving 60 Working Group members. FPDL experts analyzed the causes identified by the Working Group members through the Problem Tree methodology, and identified cause-effect relationships, as well as varying levels of complexity. For each vulnerable activity, one Problem Tree was developed by the Working Group members during workshops. The causes of vulnerability to corruption were found to be a mixture of the organization's dysfunctional systems and procedures, as well as by the organizational culture (visible features, written and unwritten norms and rules, values and principles, beliefs and assumptions). Working Group members developed solutions/strategies to address the causes stemming from the organization's dysfunctional systems and procedures.

Special attention was devoted to further exploring the causes manifesting in the organizational culture (such as the lack of will to assume responsibilities, nepotism, weak characters who obey hierarchical orders, fear of losing their job, etc.). 30 Core Group members analyzed the Craiova LG culture based on the metaphor of four rooms that reveal an organization's culture. Furthermore, they identified actions that could be taken to change the assumptions and beliefs that hinder them from achieving their vision and implementing the strategies aimed at treating and preventing corruption. The members also identified the desired changes in skills and attitudes of staff and managers, in the relations between council and executive, and in the relations among different departments.

OUTSIDE STAKEHOLDER PERCEPTIONS

Research was conducted to identify the problems, as perceived by the target beneficiaries, with the delivery of services/activities that were vulnerable to corruption, as well as their proposals to solve the identified problems. The research used qualitative methods: focus groups and in-depth individual interviews. Although not statistically representative, two main actions were identified:

- (1) Finalize the municipal cadaster
- (2) Professionalize civil servants, executives and staff

SOLUTIONS: THE STRATEGIC PLAN

Core Group members elaborated a vision, identified five main objectives, and formulated strategies and actions that could be implemented:

VISION

Craiova Local Government is a model of integrity and efficiency in public life, acting transparently and responsibly for the citizens' interests and the municipality's future.

Objectives to achieve the vision:

1. Improve the responsible management of public funds and public assets
2. Consolidate the quality management system in place
3. Increase LG activity transparency
4. Implement a modern system for Human Resource Management
5. Develop mechanisms to prevent/limit the possibilities to misuse official positions for personal gain

Strategies and Actions, including success indicators and responsibilities, were developed for each strategic objective.

The evaluation found that significant changes had been achieved in transparency, building more effective collaboration between departments, and the emergence of team spirit.

As one civil servant said (see quote in bubble):

“The strategic plan was elaborated by us, civil servants and councilors; we identified our organization’s problems and vulnerabilities; we identified solutions to address them; the strategic plan started to be implemented - the work procedures improved, transparency increased as well as staff accountability.”

This proved that building social capital – relatedness, norms of reciprocity, mutual assistance and trustworthiness, was as important as elaborating action plans, time tables and success indicators.

DEALING WITH CHALLENGES

DEFENSIVENESS AND DISTRUST

We know that corruption is a concept loaded with emotion, fear and shame. Many politicians and officials hold complicated, mixed feelings about corruption. They may sincerely wish to eradicate it, while at the same time participating in it or allowing it to occur. Their defensiveness, their resistance to talk about the vulnerability to corruption in their organization, or their perceptions of being powerless in changing the situation, were the main obstacles throughout the self-diagnosis process.

Through skilled facilitation, the people involved in this project came to a common understand about the concept of corruption; they were able to openly discuss and analyze their organization's vulnerability to corruption without fear of reprisal by using an analytical framework that helped them realize that corruption is not just a problem of bad people, but of bad systems.

People understood that problems can be analyzed and dealt with effectively, and this fact lowered their skepticism and stimulated their trust in their capacity to act. Considering corruption as a symptom of underlying causes that can be identified in the organization's dysfunctional systems helped people focus their energy on finding solutions to address them. Another obstacle to overcome was the distrust that existed between elected councilors and local gov-

ernment managers and staff. A special meeting was dedicated to help both sides clarify the areas of misunderstanding and find solutions to improve communication and collaboration. They overcame the obstacles and gaps between councilors, managers and staff through the training embedded in the process, and by FPDL experts becoming involved in supporting their work towards a common goal.

THE MAYOR'S ARREST: A SHOCK FOR CRAIOVA!

On March 10, 2010, a day before Ana and Nicole were scheduled to meet with the Secretary of Craiova to begin the second phase of the program, the Mayor of Craiova, Antonie Solomon, was arrested on charges of bribe-taking and forgery. According to the Romanian Times, "Solomon had allegedly accepted a 50,000 Euro bribe for the issuance of a construction permit to Cornel Penescu, the owner of the football club FC Arges, for the construction of a store in Craiova."⁷

Initially this created media frenzy, although it did not derail the process. Since the Secretary was in charge of the program from the beginning of the process and not the Mayor himself, the Program was able to continue. Indeed, this event turned into an opportunity to convey the message to the participants of the importance of this program, proving that it was not only the Mayor, but everyone in the Craiova local government who was vulnerable if the rules were not clear and transparent.

THE WHISTLEBLOWER CULTURE: FEAR AND TRUST ISSUES

The arrest of the Mayor unnerved participants and created another challenge: trust within the group and the whistleblower atmosphere in Romania. When FPDL attempted to continue their work conducting surveys and holding focus groups outside of city hall, many people were either too nervous or frightened to respond, as they were convinced that the questions were related to the arrest of the Mayor. The Program also had to deal with the national policy of austerity, including salary cuts and reductions in pensions which drastically reduced local government leaders' and managers' motivation and commitment to their organizations' improvement.

During the final one-day workshop, held on November 19, 2010, facilitators asked 30 Craiova local government managers, civil servants, and councilors who were directly involved in the project activities about the results that ensued from the project and FPDL's work. According to these participants, the most important changes implemented included:

- Introduction of a digital map in the city that specified the limits of the "intra and extravilan" (incorporated and unincorporated areas of the city), as approved by the local council in 2000
- Identification of 50% of public buildings and lands included in the digital map
- Implementation of an integrated system of evidence for public acquisitions from contract to completion
- Increasing transparency towards citizens and local councils by displaying on their website the stages of public acquisitions
- Initiation of public investments due to the finalization of the integrated development plan and the clear legal status of the lands and buildings involved in these investments
- Improving the flow of correspondence inside the organization
- Elaboration of new performance indicators to evaluate employees

⁷ <http://romaniantimes.at/?id=7109>

At a more personal level, the workshop participants stated that they gained the following skills and benefits:

- Development of managerial capacities
- Improvement of interpersonal relations, improvement of inter-departmental relations, improvement of collaboration among executives and councilors, understanding each other better and strengthening collaboration
- Teamwork and learning how to be part of a team
- How to be more accountable
- Socializing and interactive methods of relating to each other
- Self-evaluation skills
- Support to solve problems
- The importance of integrity

THE RECOGNITION



In 2011, this anticorruption methodology received prestigious international recognition through the United Nations Public Service Award.

The Craiova Local Government was the winner of the most prestigious international award of excellence in public service, the United Nations Public Service Award, in the category “Preventing and combating corruption in the public service.” In North America and Europe, under this category, only two local governments received this award: the city of Martin, Slovakia and the city of Craiova, Romania. Both local governments applied the anticorruption methodology promoted by FPD in CEE/SEE countries.



In 2010, Craiova Local Government received 1st prize in the Civil Servants Agency Annual Competition of best practices, “Quality and Innovation in the Public Sector.”

The initiatives and projects of 30 Romanian public authorities from central and local levels qualified for the competition, in three main categories. Craiova’s application was selected to receive the 1st prize under the category “Strengthening public service integrity, transparency and accountability.”

Through this important national recognition, a crucial objective was achieved: to be able to disseminate this innovative, strategic and participatory anticorruption approach as a best practice to be followed by other local governments in Romania and throughout the region.

CONTINUED DISSEMINATION OF THE ANTICORRUPTION APPROACH IN CEE/SEE

In order to continue to disseminate the anticorruption approach in CEE/SEE countries, FPDL's strategy is to continue the successful collaboration with Ronald MacLean Abaroa to build the capacity of *the change agents* through a complex capacity building *Program for Anticorruption Practitioners - PAP*, comprised of three main components:

- **Knowledge Building Component**, based on self-study and online distance learning including readings, exercises, and paper writing, aimed at deepening participants' understanding and improving their knowledge in the field of curing and preventing corruption in Local Government organizations.
- **Skill Building Component**, an interactive and participatory Training Program aimed at improving participants' training, consultation and facilitation skills.
- **In-country Anticorruption Programs**, during which time practitioners, coached and mentored by FPDL anticorruption practitioners and Ronald MacLean Abaroa, apply the anticorruption approach with local governments in their own countries, by supporting mayors to initiate and implement corruption interventions.

FPDL's ultimate aim is for the CEE/SEE region's local governments to become more reliable and accountable, effective and just organizations, and at the same time role models to be followed.

FINAL CONCLUSIONS

At the heart of FPDL's strategy to address corruption in local governments is the belief that real changes can be made only through partnering and supporting the work of insiders, with willing and committed allies.

David Bornstein, who studied social innovations that became large movements in his book, *How to Change the World: Social Entrepreneurs and the Power of New Ideas*, explained how successful transformations came into being. There are many parallels between Bornstein's research and FPDL's work as social innovators. Not one of his examples began as a government or large system sponsored program. Each initiative began with little funding and no fanfare. He concludes that changes that began on a large scale, initiated from the top and driven to produce quick wins inevitably produced few lasting results. Sustainable changes occurred locally on a small scale and happened slowly, as occurred in Craiova. Bornstein also concludes that each successful innovation had deeply committed leaders focused on making a difference and bringing something new into the world. He describes these leaders as skilled social entrepreneurs. We can say the same about FPDL, Ana Vasilache, Ronald McLean Abaroa

and the network of CEE/SEE change agents. Finally, his conclusions give hope for the successful replication of this initiative. Bornstein found out that only after an initiative has evolved and succeeded on its own terms does it begin to gain wider attention. This is what happened with this anticorruption methodology applied to Craiova and to the other 20 CEE/SEE local governments. The anticorruption approach in Craiova is now recognized as a best practice, and has gained the appreciation of many countries' local and central governments, mayors and public managers, academics and practitioners.

Through this case we demonstrate that where courageous leaders and public managers want to address the vulnerability to corruption of their organizations, they should be supported through a collaborative approach by skilled facilitators, anticorruption practitioners and competent experts; that where possible, it is more effective to start the changes from inside the system, than to pressure the system from the outside. As Ronald MacLean Abaroa's grandmother used to advise him: ***“you can catch far more flies with honey, in a far more effective way, than going after them one by one”***.



Thank you to the General Electric Foundation for its support of this case study series.

