

Workshop report: Going from political rhetoric to anti-corruption action in water: what will it take?

Introduction

As part of the World Water Week in Stockholm, Sweden the seminar 'Going from political rhetoric to anti-corruption action in water: what will it take?' brought together corruption fighters, researchers and water sector professionals on 16 August 2007 to discuss the thorny issue of corruption in the sector. Organized by the Water Integrity Network (WIN) as part of a series of annual events in Stockholm, it aimed to provide a forum to deepen our understanding of water-sector corruption and particularly, how to take more concrete actions to tackle it.

The seminar included presentations by: Janelle Plummer (a governance advisor based in Ethiopia) on frameworks to understand corruption; Undala Alam (Centre for Water Science at Cranfield University) on the links between social behaviours and corruption; and Scott Guggenheim on how corruption has been fought at the grassroots in the World Bank-supported Kecamatan Development Project in Indonesia. In a subsequent panel discussion these presenters were joined by Cobus de Swardt (Transparency International) and Ina Eriksson (SIDA) for a debate with audience.

You can find presentations from the session at www.waterintegritynetwork.net

Workshop outcomes

Making Anti-Corruption Approaches Work for the Poor

Janelle Plummer challenged us with the idea that while anti-corruption activities in the water sector have increased, the assumption that any benefits will trickle down to the poor (who bare the brunt of poor water and sanitation services) may not be true. There is little analysis available, but what there is suggests caution. Poorly thought out anti-corruption activities simply risk shifting corruption to other places or hardening it. Furthermore, the poor are not only victims. They do bribe to get access to services, and sometimes this is a vital coping strategy. Anti-corruption activities might make some situations worse by removing this coping strategy unless they put other measures in place.

A series of principles were presented for pro-poor anticorruption strategies:

- *Diagnosing.* We need to know much more about the indirect and direct (involving the poor) impacts of corruption in water for the poor (What types of corruption exist? Can we measure them?).
- *Targeting.* We must bring anti-corruption strategies close to the poor and focus on the poor's water and sanitation services (this might include small-scale providers and community managed systems rather than utilities). We must seize the moment to make decentralisation work for the poor before corruption becomes embedded.
- *Connecting.* To get the benefits of high level institutional reforms (supply side measures to tackle corruption), we need to strengthen the voice of poor people (demand side measures) to seek improvements.

- *Mitigating.* Good diagnosis should be used to mitigate impacts of anti-corruption strategies on the poor where petty corruption is something you have to engage in to get access to services. Programmes should do no harm, should put back what is lost, and identify alternatives.

Finally, monitoring and change is crucial. The water sector is immature and we have to follow what works and identify what doesn't.

You can find more details in a recent paper co-published with the WIN at www.waterintegritynetwork.net/page/551

How do you turn a poacher into game keeper?

Undala Alam suggested that, in order to make progress, we have to get the roots of people's motivations for being corrupt. And we have to include more legitimate interests in projects to discourage corruption. Projects have to improve the legitimate opportunities for personal satisfaction (income, feeling good about their work) while closing down illegitimate pathways. In developing countries, the legitimate pathways are unfortunately much less than in the developed world.

However, currently many reform projects don't get to the heart of where really change is happening. Often learning and change happens in informal spaces and this presents a challenge for transparency. Past work on corruption, according to Alam, has focused on raising awareness, defining corruption and prescribing remedies. But despite large efforts, corruption persists. She argues that to affect change, one must be more involved in those places where change actually happens, on the ground where change is forged through informal social relationships and coalitions.

Fighting corruption at the grassroots in Indonesia

Scott Guggenheim presented a concrete example of how to measure and fight corruption: even in countries where reforms are not in place and in large projects. He says "corruption can be beaten and Indonesia is a good case of that". He presented a case study of the Kecamatan Development Project (KDP), a community development programme covering 34,000 villages across the country. It will scale up to cover 70,000 villages and increase disbursements next year to US\$1 billion per year. It is a government run project financed by the World Bank and it has proved a successful programme. One of the areas covered is water but also health, roads, bridges, agricultural development etc.

The corruption risk is high for several reasons, but amongst others, because of Indonesia's weak control institutions. As a result the project started by mapping possible ways in which people might steal from the project. Anti-corruption strategies were based upon this mapping. They included:

- Reducing discretion e.g. through fixed block grants (even though good development practice might call for flexible funding in different places).
- Reducing transactions e.g. money sent directly to district accounts.
- Promoting competition e.g. allowing villages to buy infrastructure on the open market and encouraging inter-village competition for project proposals. The villages themselves are good at filtering out bad proposals.
- Lowering costs of acquiring information e.g. using public signboards, readable and shorter documents, and simplifying government and World Bank procedures etc. The project has maximum 2 page documents for all procedures.
- Social control e.g. three signatures per document, teams monitor material deliveries, and villages cross audit each other.
- Measuring missing infrastructure e.g. digging up sampling of roads to measure quantities

of materials that were really used.

The scale of the project enabled anti-corruption measures to be tested and assessed. And there were some unexpected findings. It was also found that while communities could track prices quite well, they struggled with quantities of materials and infrastructure. The most effective measures shifted corruption into new domains and did not reduce the overall burden. Additional participation (in what was already a participatory project) was found not to have a crucial impact in reducing corruption (it just shifted the type of corruption), but audits or their threat were more effective. Meetings to follow up on the audits were a key activity. Furthermore, it was found that the perception of corruption did not track the reality very well and would on its own have led to perverse policy decisions. Perceptions were also linked to differences in ethnic structure within villages.

Scott made 5 main conclusions: 1) the social costs of corruption are high (and stop big projects delivering), 2) our evidence base about corruption is weak, 3) corruption is dynamic and changes form, 4) must account for different contexts and 5) monitoring and response are key.

Key points from the discussion

Some of the key questions, answers and comments arising from the debate were:

- how to get local governments to participate in anti-corruption measures when they are highly autonomous (e.g. in Uganda)? In Indonesia decentralisation happened at the same time as measures to democratise and local direct elections have been effective to remove corrupt officials.
- Can we take effective local level actions when we see problems are not addressed adequately at national level e.g. in Colombia? Macro level reforms are crucial, but in the meantime corruption needs to be fought on the ground and the Indonesian case shows that this can be possible.
- Corruption Perception Indexes are only a proxy for specific contexts. Such a tool needs to be combined with other tools to measure corruption, such as Bribe Payers Index (BPI), etc. The water sector requires a combination of measurement tools.
- It is critical to understand ways of measurement. All measures of corruption are problematic, but important. However, all measurement techniques try to incorporate their criticisms by constantly being improved. Yet, measurements are important, because “without measurement we would have nothing.”
- We should be careful not to draw the lesson that participation is anything other than key. There are many cases showing the importance of participation especially in the first stages of anti corruption activities. In addition, participation needs to be linked to external players like NGOs.
- There is not enough data on the levels of corruption, and we risk making false assumptions that there are high levels in the south based on limited evidence.
- It is dangerous to assume that corruption only takes place in the South. Corrupt practices of multinational corporations based in the North must be highlighted as well. One possible way to raise awareness of corruption in the private sector from corporations based in the North is Transparency’s Bribe Payers Index (BPI). Corruption in the North is not only prevalent in the private sector, but also in the donors, which they need to address themselves.
- Transparency can be a double edged sword. In certain political negotiations it can stop progress. The Indus treaty negotiations for example could not have been successful in public.
- In Indonesia increasing civil service pay rates was found not to have much effect. The chances of getting caught are much more important. At the lower level, the links between the pay of frontline workers and temptations to be corrupt may be stronger.

- There is need for a strong evidence base of what works based upon action research.
- Very few countries (a few exceptions like China, Vietnam and Indonesia) have made sustained progress to reduce poverty without tackling the problems of corruption and weak institutions.
- In Ethiopia, programmes to protect basic services are exciting. The entry point is effectiveness, not corruption, but the effects are potentially very valuable in addressing the supply side of corruption. On the demand side, much more support and funding is needed to support civil society initiatives.

The seminar was chaired by Piers Cross representing the Water and Sanitation Programme and the panel discussion was moderated by Hakan Tropp from the Stockholm International Water Institute. This report was prepared by Birke Otto from the Water Integrity Network (WIN) secretariat and John Butterworth from the IRC International Water and Sanitation centre. For more information please visit www.waterintegritynetwork.net