CRAIOVA, ROMANIA
CASE STUDY
Strategies to
Treat and Prevent Vulnerability to Corruption through applying Islands of Integrity™ Anti-Corruption Methodology

Case Study elaborated by Ana Vasilache

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EXECUTIVE SUMMARY

More effective and efficient Local Governments can be made through knowledge and skills transfer but to make them respected and trusted by citizens cannot be done without addressing C*orruption*.

In Romania, during the transition period from centralized economy and authoritarian society towards market-based economy and democratic society, the level of corruption in public life increased due to the dramatic social and economic changes implemented by weak institutions. The administrative decentralization brought also the decentralization of corruption. Reducing the vulnerability to corruption of the Romanian public institutions and especially of local governments became a priority for citizens and civil society, as well as, for the public and private sectors.

Craiova Local Government was selected, through a competitive process, to participate in the Program *„Cities without Corruption – Cities with Future"* initiated by FPDL/Ana Vasilache and her team, in collaboration with Ronald MacLean Abaroa, in order to promote and multiply in Romania and other CEE/SEE countries, a practical, innovative approach to treat and prevent corruption in local governments, successfully used by Ronald MacLean Abaroa as Mayor of La Paz, Bolivia.

Craiova Municipality is the capital of Dolj County, having more than 300.000 inhabitants. It has a rich history, attested in documents since 1475. Craiova is a powerful industrial city, an important educational center and has a rich cultural life. Craiova Local Government has more than 500 employees, directly elected mayor and 27 elected councilors.

In the period 2008-2010 Craiova LG received FPDL support[1] to elaborate/implement a strategic plan aimed at treating and preventing the vulnerability to corruption. The anticorruption approach used the *strategic and participatory* process of the Islands of Integrity™ A-C Methodology.

Strategic, meaning that it focused on changing corrupt organizational systems not (only) corrupt individuals; identifying with priority the most dangerous forms of corruption, going through the strategic planning process steps, from diagnosis to solutions.

Participatory meaning that managers and staff, leaders and outside stakeholders, were involved in analyzing the vulnerability to corruption and in elaborating solutions. Since corruption is a concept loaded with emotions, with fear, shame or defensiveness, Ana Vasilache with her team of FPDL facilitators/a-c practitioners, helped people demystify corruption and approach it in an analytical way.

Robert Klitgaard metaphorical formula was used to determine the organization vulnerable to corruption activities/services: C= M+D-T (A) Corruption equals Monopoly power plus Discretion by officials minus Accountability/Transparency. Based on the same formula, solutions included making changes in the organizational systems by:

- Lowering the Monopoly of public services and goods delivery
- Limiting the Discretion in the decision making process
- Increasing the Accountability and Transparency, toward Clients and Principal(s).

The process was designed based on the assumptions that Craiova LG representatives are capable, motivated human beings, knowledgeable about their organization problems and goals.

The process included the following steps:

- Signing the Agreement between FPDL and Craiova LG leaders (Mayor and Secretary)
- General Diagnosis of the organization vulnerability to corruption made in 2 steps: *Preliminary Diagnosis* and *Extended Diagnosis*
- Selecting the priority vulnerable to corruption activities/services to be addressed by the Strategic Plan
- In-depth Diagnosis of the selected vulnerable to corruption activities/services
- Elaborating solutions to address, for each vulnerable to corruption activities/services, the causes relying in the organization systems that breed corruption
- Organizational Culture Analysis (with training embedded) and elaborating solutions to address the causes relying in the people's contradictory norms of behavior and assumptions

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[1] Financed by Local Government Initiative of the Open Society Institute and EU Transition Facility 2007

- Human Resource Management Analysis (with training embedded) and elaborating solutions to address the causes relying in what de-motivates people to work effectively, efficiently and with integrity
- Identifying Outside Stakeholders perceptions about the vulnerability to corruption causes and the proposed solutions
- Finalizing the Strategic Plan: Vision, Objectives, Strategies and Actions – including who is responsible, what is the period proposed for implementation and what are the success indicators
- Evaluation of the Strategic Plan implementation progress and the process benefits at personal and organizational levels (after 4 months of the strategic plan finalization)

In the general self-diagnosis process were involved 315 employees from the total of 500. They evaluated individually, the level of monopoly, discretion and transparency/accountability of 33 activities/services their organization was providing; 15 were identified as vulnerable to corruption; 6 were selected to be the focus of the Strategic Plan:

A1: Issuing of urban certificates, building and demolition permits
A2: Control of discipline in construction works
A3: Public assets management
A4: Public procurement
A5: Properties registration
A6: Human Resources Management

The diagnosis process continued with the in-depth analysis of each of these 6 activities, which were broken down into steps in order to identify:

- What corrupt activities could take place in the different steps
- Who may gain and who may lose if this happens
- Why, what are the causes that may allow these corrupt activities to happen

Working groups were organized, supported by experts, to elaborate solutions/strategies and action plans to address the systemic causes. Workshops were organized to allow working groups to meet and exchange the results of their work. Elected Councilors were invited to join the process and improve their relations with the executive side of the organization. Training was embedded in the workshops, to improve managers, staff and councilors understanding, and knowledge of their organization culture, on the use of different managerial styles for staff development, on the process of change management.

Outside stakeholders, target beneficiaries/clients of the activities/services identified as vulnerable to corruption, were involved also in the process. They confirmed the internal diagnosis results and proposed solutions. Central government representatives were invited to discuss the causes of vulnerability to corruption that could not be addressed only at local level and at the same time many other municipalities were confronted with.

The strategic plan implementation focused on achieving 5 main objectives:

O1: Improve the responsible management of public funds and assets
O2: Consolidate the Quality Management System
O3: Increase activities transparency
O4: Implement a modern Human Resource Management system
O5: Improve internal control mechanisms

The Islands of Integrity™ A-C Methodology and Craiova Local Government efforts were recognized, nationally and internationally:

2010: the Romanian National Agency for Civil Servants awarded the 1st prize to Craiova LG in the category "Strengthening public service integrity, transparency and accountability", for applying the A-C Methodology with FPDL A-C Practitioners support and for the results obtained,

2011: the UN Committee of Public Administration Experts selected Martin/Slovakia and Craiova/Romania to receive the *UN Public Service Award*, under the category "Preventing and Combating Corruption in the Public Service". Both cities applied the strategic and participatory Islands of Integrity™ A-C Methodology and worked with Anti-Corruption Practitioners trained and certified by Ronald MacLean Abaroa and Ana Vasilache, after attending ACT™ - Anti-Corruption Training components.

PART I: CONTEXT

Background

If Peter Drucker was right and *Government* is going to be the most important area of entrepreneurship and innovation over the next 25 years, than the most important challenges ahead of us (not only in Romania, but all over the world) are:

- To make Governments work more effectively and efficiently
- To make Governments be respected and trusted by citizens

More effective and efficient Local Governments can be made through knowledge and skills transfer but to make them respected and trusted by citizens cannot be achieved without addressing C*orruption*[2].

In Romania, the period of transition from authoritarian regime towards democracy, from centralized towards market economy, brought the increase of the level of corruption due to the dramatic social and economic changes implemented by weak institutions. The administrative decentralization brought also the decentralization of corruption. More responsibilities and financial resources were devolved at local level, more vulnerable to corruption local governments became, offering to public officials more temptations and opportunities to misuse their position for private gains.

Reducing the vulnerability to corruption of the Romanian public institutions, including local governments, became a priority for citizens and civil society, as well as, for the public and private sectors. In all National Anticorruption Strategies elaborated by the central government addressing corruption in local governments was one of the Romania's priorities.

Craiova Local Government decided to elaborate a Strategic Plan to treat and prevent the vulnerability to corruption through increasing organization integrity, efficiency and accountability.

Craiova Municipality is the capital of Dolj County, having 308.000 inhabitants. It has a rich history, attested in documents since 1475. Around 1848 Craiova had 20,000 inhabitants. Beginning with the sixties Craiova became a powerful industrial city. Almost 50% of the population works in machine building, plants, chemical, food processing, electrical or energetic industries. Craiova is also an important educational center, with universities attended by 30,000 students. Craiova has a rich cultural life; it has theaters, philharmonic, museums and art schools. The Oltenia Water Company provides potable water to more than 350,000 people; five specialized companies assure the functioning of the 340 km long sewage system. The public transportation, tram and bus networks are managed by Craiova Local Transportation Autonomous Company (RATL) and one private operator. Craiova Local Government has more than 500 employees and a complex structure, 27 elected councilors and elected mayor. Find more about Craiova on *www.primariacraiova.ro*

Craiova Local Government was selected, through a competitive process, to participate in the Program *„Cities without Corruption – Cities with Future"* initiated by FPDL/Ana Vasilache and her team, in collaboration with Ronald MacLean Abaroa, in order to promote and multiply in Romania and other CEE/SEE countries, a practical, innovative approach to treat and prevent corruption in local governments, successfully used by Ronald MacLean Abaroa as Mayor of La Paz, Bolivia.

FPDL[3] was a Romanian NGO, established in 1994 by a group of experts in urban planning, public administration and organizational/community development, having as mission to enhance the democratic processes of governance and to support civil society development, in Romania and worldwide, through capacity building activities.

FPDL decided that one way to achieve its mission is to develop and build the capacity of a network of *change agents* from CEE/SEE region, to be able to build, in turn, the capacity of local governments and civil society organizations in their countries. During 12 years FPDL built a network of trainers and training institutions from more than 30 CEE/SEE countries and more than 1500 trainers, facilitators or

[2] *Corruption* is defined by Robert Klitgaard as the misuse of office for personal gains, where *Office* is a position of trust, where one receives authority to act on behalf of an institution

[3] www.fpdl.org

consultants, and disseminated high quality training manuals and interactive/participatory training methodologies.[4]

In the period 2008-2010 Craiova LG received FPDL/Ana Vasilache and her team of A-C Practitioners support[5] to apply the Islands of Integrity™ A-C Methodology, and elaborate/implement a strategic plan aimed at treating and preventing the vulnerability to corruption, which included:

- Identification and analysis, with public leaders, managers, staff, elected officials and outside stakeholders involvement, of the LG vulnerable to corruption activities and services
- Elaboration of solutions (strategies and actions) aimed at treating and preventing the vulnerability to corruption for the identified activities/services through promoting integrity, efficiency and transparency
- Increasing the capacity of the key local actors to implement the strategic plan
- Disseminating results and lessons learned, at local, national and international level, in order to expand the use of this anticorruption strategic and participatory methodology in Romania and worldwide.

The Anti-Corruption Approach

Who we are is determined not only by our inherent traits but also by the context in which we live and work. Malcom Gladwell in his book "*The Tipping Point – How Little Things Can Make a Big Difference*" demonstrates that specific situations can influence in a radical way our behavior, many times overwhelming our inherent predispositions.

He demonstrates convincingly that the *context* in which we live plays an important role and has a powerful effect on shaping our behavior.

He describes the famous experiment conducted by two New York based researchers[6], in order to measure honesty and to find out if it is a fundamental consistent trait or it is a trait that can be changed by the context. The researchers involved in their experiment 11.000 schoolchildren, between 8 and 16 years old, over the course of several months, administering different aptitude tests in different situations.

The first conclusion of their research was, unsurprisingly, that lots of cheating went on, when context allowed. In some cases, the scores on tests where cheating was possible, were 50% higher that the "honest" ones. When they looked for patterns in cheating, some of their findings were equally obvious: older children cheated more than younger children, smart children cheated a little less than less-intelligent children, girls cheated about as much as boys, those from stable and happy families cheated a bit less than those from unstable and unhappy families.

But surprisingly, the researchers did not find any consistency: they did not identified a group of cheaters and a group of honest students. Everybody cheated when opportunities and temptations were present. Their main and very important conclusion was that *"honesty"* was not a consistent, inherent trait and was considerably influenced by the context.

The conclusion that follows logically is that by shaping an appropriate context we should be able to influence dishonest behavior and prevent it. That is also the main message of the book *"Corrupt Cities – a practical guide to cure and prevent"* by Robert Klitgaard, Ronald MacLean Abaroa and Lindsey Parris: the anticorruption strategies should focus on changing the context in which individuals live and work, not as most strategies exclusively do and fail, on changing individuals' behavior through legalistic or moralistic measures. The book argues that corruption is a crime determined by the context not (only) by personal inherent traits, is a crime of rational economic calculation, not a crime of irrational passion. People tend to engage in corrupt behavior when they think they will gain more than they will lose, when the rewards are great and the risks of being caught are low, and even if caught, the penalties are mild. People tend to engage in corrupt activities when they work in organizations that give them *Monopoly* power over a good or service delivery, *Discretion* to decide whether someone gets that good or service or how much it gets, and do not have *Accountability* and *Transparency* rules, so that others can see when and how they take their decisions. This is the Context that breeds corruption.

[4] All these activities were conducted in the frame of the Regional Program "Working Together" a Capacity Building Program for CEE/SEE countries, supported by Local Government Initiative of the Open Society Institute, LGI
[5] Financed by Local Government Initiative of the Open Society Institute and EU Transition Facility 2007
[6] Hugh Hartshorne and M.A. May, 1920

Robert Klitgaard proposes a metaphorical formula, which was used in Craiova diagnosis process, in order to determine the organization vulnerable to corruption areas: C= M+D-T (A) Corruption equals Monopoly power plus Discretion by officials minus Accountability/Transparency.

It is true that different individuals may react differently to the temptations offered by the context, and that many public or private officials do not engage in corrupt activities even if the temptations are present. But the important idea is that more temptations a context provide, higher the vulnerability to corruption. In shadowed and dark areas, lacking Transparency and Accountability, there is a high probability that we encounter corrupt activities.

Based on Robert Klitgaard formula, solutions include making changes in the *context* by:

- Lowering the Monopoly of public services and goods delivery
- Limiting the Discretion in the decision making process
- Increasing the Accountability and Transparency, toward Clients and Principal(s).

The book demonstrates based on successful experiences, such as Mayor's Ronald MacLean Abaroa in La Paz, that corruption can be addressed effectively through a *strategic and participatory* approach.

Strategic, meaning that it focuses on changing corrupt organizational systems not (only) corrupt individuals; identifying and treating with priority the most dangerous forms of corruption, going through the strategic planning process stages, identifying how to go from where we are to where we want to be.

Participatory meaning that it involves in analyzing the vulnerability to corruption managers and staff. Even if this may be surprising, it is possible as long as the assumption is that corruption is not (just) a problem of bad people but of bad systems. The outside facilitator/consultant (the A-C Practitioner) can help people discuss such systems analytically and without fear of punishment. Since corruption is a concept loaded with emotions, with fear, shame or defensiveness, the facilitator's first task was to demystify corruption and approach it in an analytical way.

Out of the participatory process many good things emerged:

- A deeper, shared understanding of the vulnerable to corruption activities/services
- A treatment plan for curing and prevention, including remedial measures that no outsider could better develop
- A real commitment to implement the planned changes

What was lacking, the expertise and the leverage needed to implement the measures were offered by FPDL Anticorruption Practitioners and experts.

PART II: PROCESS & ACTORS

Process steps

The participatory process in Craiova Local Government aimed at curing and preventing the vulnerability to corruption, was as important as its results (if not more). Through the participation of public leaders, managers and employees, trust and commitment were created for the planned changes implementation; people connected to each other as human beings with real concerns and issues; relationships improved between departments, between elected and appointed officials. Envisioning a positive future encouraged people to take action and bring energy in the organization. Every meeting, due to the way people listened, spoke and communicated, became a model of the future they wanted to create; discussions focused on what they can do to create this future and not on what others can or need to do for them.

Ana Vasilache and her team of FPDL anticorruption practitioners' have been responsible for the quality of the *process,* which design was based on the assumption that Craiova local government public leaders, managers and staff were capable, motivated human beings, knowledgeable about their organization problems and goals.

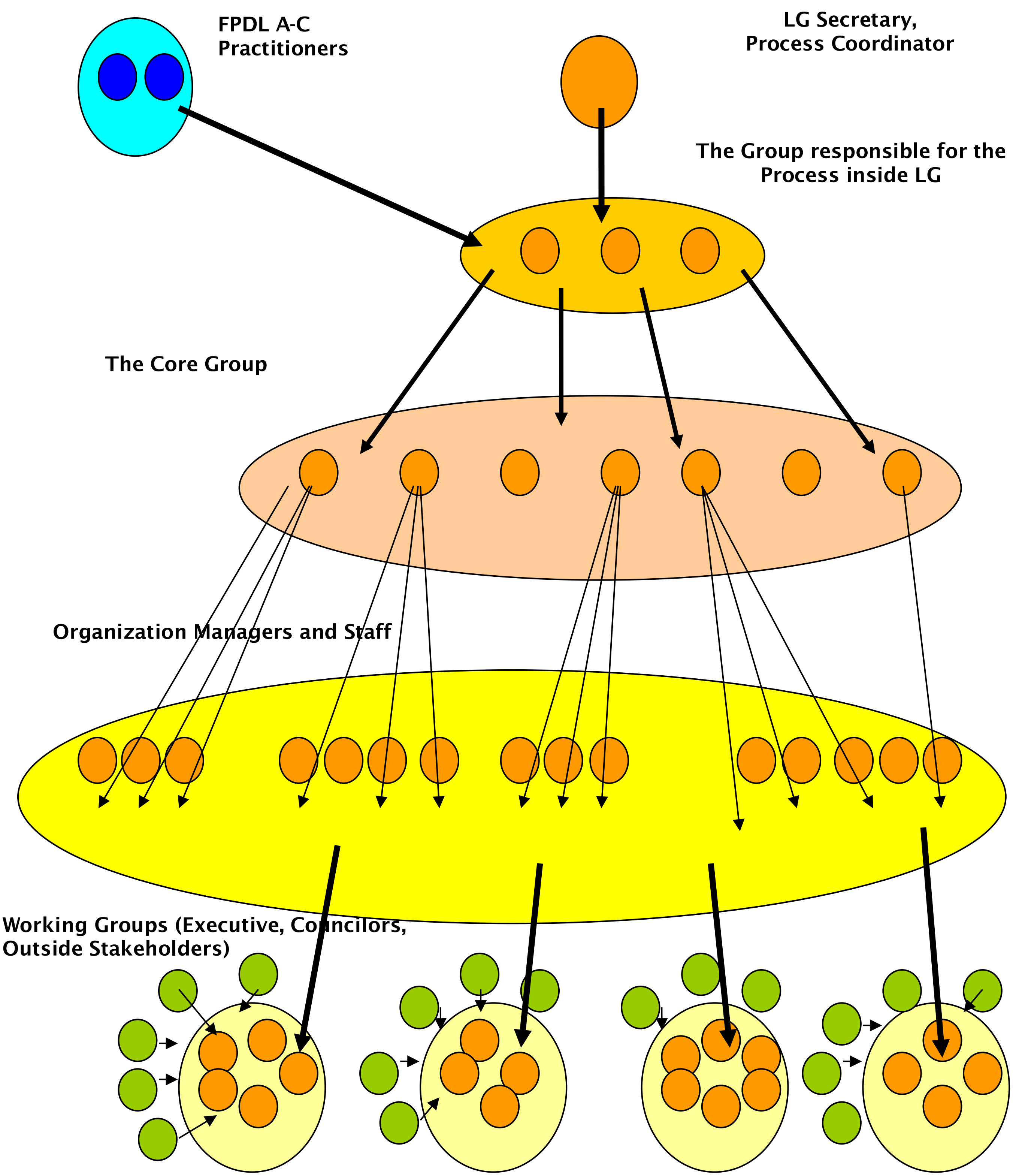
Craiova Local Government representatives were responsible with the quality of the *content* and *end products* being the ones who (1) identified and analyzed the most vulnerable to corruption activities that had the biggest impact on citizens' lives and city's future (2) elaborated the strategies and implementation action plans in order to lower vulnerability to corruption of the identified vulnerable activities/services.

People involved talked openly about what is their responsibility in creating the vulnerability to corruption and what they can do to address it. Leaders realized that only through retribution, fear and tough consequences people cannot be forced to care beyond their own individual interests; that no clear vision, nor detailed plans, have the power to bring the image of the future into existence without the continued engagement of the whole organization. That is why building social capital – relatedness, norms of reciprocity, mutual assistance and trustworthiness, was as important as elaborating action plans, time tables and success indicators.

The process included the following steps:

- **Signing the Agreement** between FPDL and Craiova LG leaders (Mayor and Secretary) that clarified responsibilities, process steps and expected results
- **General Diagnosis** of the organization vulnerability to corruption made in 2 steps: *Preliminary Diagnosis*, made by a core group of 25 persons working in executive and managerial positions and *Extended Diagnosis* made by 315 employees working for 12 departments. The group members who made the preliminary diagnosis were involved in supporting the extended diagnosis process
- **Selecting the vulnerable to corruption activities** to be addressed by the Strategic Plan
- **In-depth Diagnosis of vulnerable activities** made by Working members, formed around the selected vulnerable activities/services
- **Cause-effect analysis** and **elaborating solutions** to address the causes relying in the organization systems that breed corruption
- **Organizational Culture Analysis** (with training embedded) and **elaborating solutions** to address the causes relying in the people's norms of behavior, assumptions and the way they relate to each other
- **Human Resource Management Analysis** (with training embedded) and **elaborating solutions** to address the causes relying in what demotivates people to work effectively, efficiently and with integrity
- **Identifying Outside Stakeholders** perceptions about the vulnerability to corruption causes and the proposed solutions
- **Finalizing the Strategic Plan:** structuring Vision, Objectives, Strategies and Actions – including who is responsible, what is the period proposed for implementation and what are the success indicators
- **Evaluation of the Strategic Plan implementation progress and the process benefits** at personal and organizational levels (after 4 months of its finalization)

Actors involved



- **The Process Coordinator** was Nicoleta Miulescu, Craiova Local Government Secretary
- **The Group responsible inside the LG** for the process, contact persons for FPDL experts/A=C Practitioners were Elvira Stancu, Public Relations Department Director together with her team, Claudiu Popescu and Alina Gheorghe,
- **FPDL Experts** Ana Vasilache and Nicole Raţă designed and facilitated the process; Other 8 FPDL experts/trainers in urban planning, public procurement, discipline in construction, building permits issuing, public assets registration and management were involved in supporting managers and staff in the diagnosis as well as solutions elaboration stages; A specialized company in social research was hired to conduct qualitative research through focus groups and interviews as well as quantitative research through questionnaires, inside the organization.
- **The Core Group** had 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 plans elaboration; the group membership changed slightly during the two years process, but in general high level decision making positions were represented (directors, chiefs of services).
- **The organization managers and staff** were the 315 persons (from a total of 500) involved in completing questionnaires in 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 organized to keep them informed about the strategic planning process progress and results
- **Working Groups** 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** were 30 clients/beneficiaries of the vulnerable to corruption services who were involved in focus groups and interviews to identify their perceptions about the problems they have in the respective services provision and solutions they propose; 77 representatives of citizens consultative committees, NGOs, central government and design/construction companies taking part in the debates organized to inform and involve them in the strategic plan implementation ; 56 mayors, members of the Romanian Municipalities Association who were informed about the Craiova experience and received the booklet « Healthy Organizations – treating and preventing the vulnerability to corruption in local governments » ; 400 people, including the CEE/SEE teams of anticorruption practitioners, who are members of the Facebook page « Islands of Integrity A-C Partners Network LLP »

PART III: RESULTS

General Diagnosis

The General Diagnosis was done in two steps: preliminary diagnosis done by the core group members and extended diagnosis done by 315 employees, supported by core group members.

The Diagnosis was done using an Evaluation Questionnaires elaborated by Ana Vasilache şi Nicole Raţă, FPDL in collaboration with Elvira Stancu, Public Relations Department Director. The evaluation questionnaire was similar in both steps.

Two aspects of 33 Local Government services/activities have been evaluated:

- The level of vulnerability to corruption
- The level of impact on citizens' lives, city future and image, in case corruption is present

The vulnerability to corruption was identified based on an indicator calculated using Robert Kiltgaard formula:[7] **C**oruption=**M**onopoly+**D**iscretion-**T**ransparency/**A**ccountability. The respondents were asked to evaluate each activity/service from 1 to 5 (1=very low level to 5=very high level)

Monopoly: the level of monopoly of the respective activity or service (is there competition in providing it? Have citizens' alternatives to choose from?)

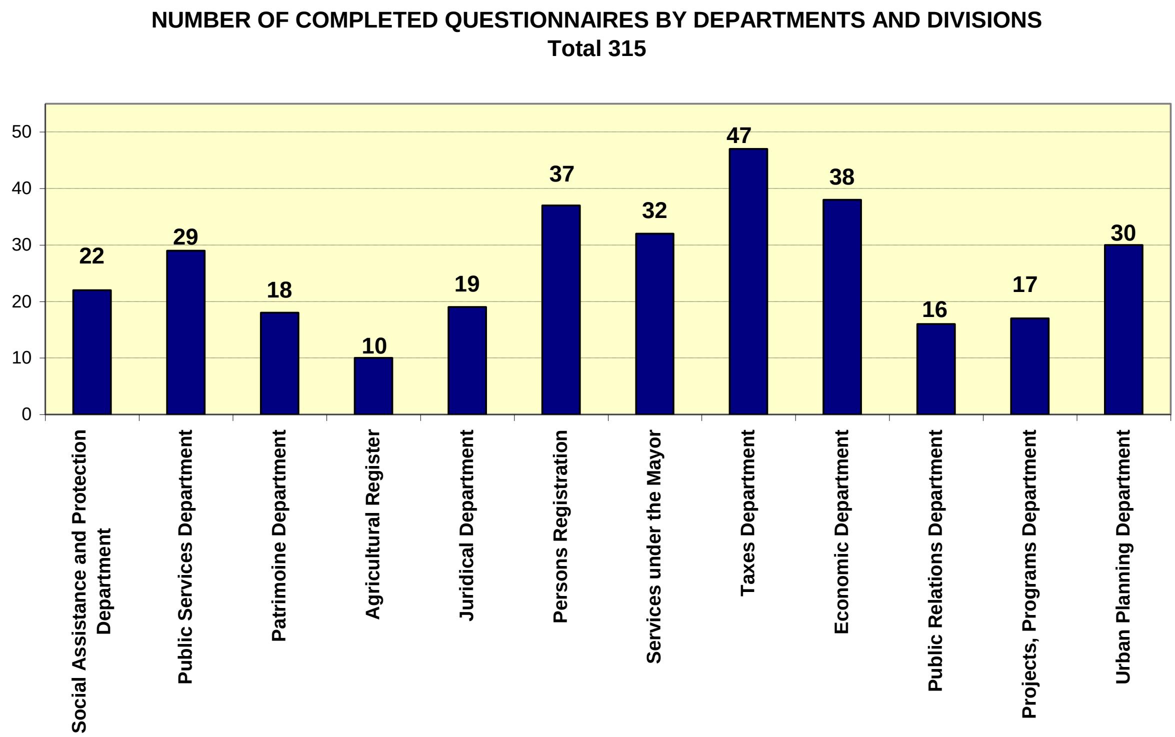
[7] *Corrupt Cities – a practical guide to cure and prevent,* by Robert Klitgaard, Ronald Maclean Abaroa şi Lindsey Parris, Ed. Humanitas, 2006, translated and printed into Romanian by FPDL with LGI support

Discretion: the level of discretion in taking decisions when doing the activity or providing the service (Are there clear rules or procedures to guide the decision? Are there too many rules and procedures, sometime contradictory so that one can choose among them in a discretionary way?)

Accountability/Transparency: the level of accountability/transparency in delivering the service or making the activity (Do principals or clients have the necessary information about the way agents take decisions? Is the access to information easy for clients?)

The level of negative impact was assessed for each activity/service also from 1 to 5 (1=very low level of the negative impact to 5= very high level of the negative impact)

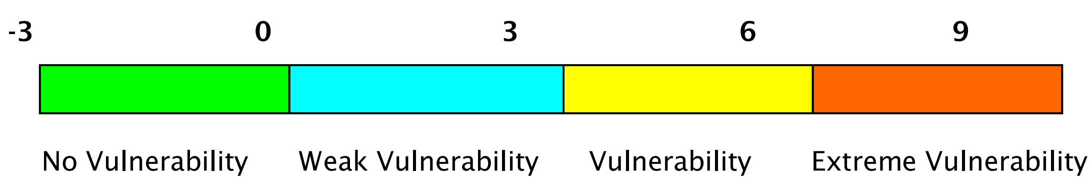
The 315 Questionnaires have been completed by employees of 12 Departments/as follows:



These Departments and Divisions have a total of 563 employees, and 56% (315) were involved in the diagnosis process by completing the Questionnaires.

The value of the „*vulnerability to corruption*" indicator can vary from -3 (in this case there is no vulnerability: minimum Monopoly=1+minimum Discretion=1 – maximum Transparency or Accountability=5) to 9 (in this case there is maximum vulnerability: maximum Monopoly=5+maximum Discretion=5 – minimum Transparency or Accountability=1).

Between -3 and 9 we established 4 intervals for this indicator:

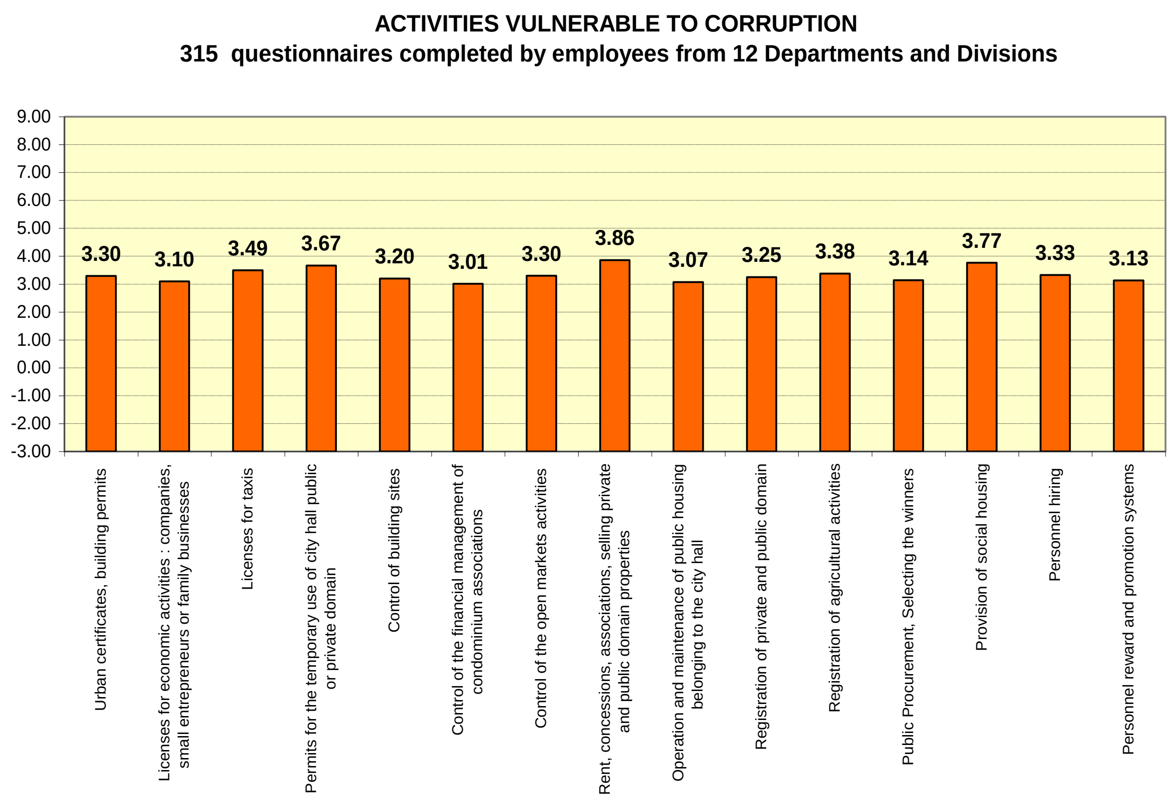


The extended diagnosis results validated the preliminary diagnosis results. 15 activities and services out of the 33 (45%) have been identified as vulnerable to corruption (having rates between 3.07 and 3.86):

- Issuing Urban Certificates and Building Permits
- Issuing Licenses for economic enterprises and authorized persons
- Taxi Licensing

- Approvals for the temporary use of the municipal property
- Control of discipline in construction
- Financial control of condominiums owners association
- Inspection of commercial activities in markets
- Renting, leasing, selling municipality public assets
- Maintenance and development of municipal property housing
- Registration of municipality public assets
- Registration of agricultural data
- Public procurement
- Provision of social housing
- Personnel hiring
- Personnel promotion

The average indicator for each of these activities/services is showed in the following chart:



All the 15 activities/services identified as vulnerable to corruption were evaluated also as having a significant negative impact if corruption would occur; 6 of the 12 Departments/Divisions have under their responsibility the activities vulnerable to corruption.

A difference was identified between how these departments perceive their own activities vulnerability and how the other departments perceive it:

DEPARTMENTS OR DIVISIONS	ACTIVITIES IDENTIFIED AS VULNERABLE TO CORRUPTION	Average of the organization	Internal average
Urban Planning Department	Issuing Urban Certificates and Building Permits	3.30	3.77
	Control of the discipline in construction	3.20	5.87

Financial-Economic Department	Issuing Licenses for economic enterprises and authorized persons	**3.10**	**2.68**
	Financial control of condominiums owners association	**3.01**	**1.45**
	Inspection of commercial activities in markets	**3.30**	**2.03**
Patrimonies (Public Assets) Department	Renting, leasing, selling municipality public assets	**3.67**	**1.89**
	Maintenance and development of municipal property housing	**3.25**	**1.72**
	Registration of municipality public assets	**3.86**	**2.76**
	Approvals for the temporary use of the municipal property	**3.07**	**1.94**
	Provision of social housing	**3.77**	**2.44**
Public Services Department	Taxi Licensing	**3.49**	**0.90**
Division under the mayor supervision	Public procurement	**3.14**	**2.25**
Division under Secretary supervision	Registration of agricultural data	**3.38**	**5.00**
HR Department	Personnel hiring	**3.33**	**2.91**
	Personnel promotion	**3.13**	**3.16**

Selecting the activities/services to be addressed by the Strategic Plan

The General Diagnosis Report results were validated by 31 persons, top managers and members of the Core Group. The following 6 activities were selected to be the focus on the Strategic Plan and Working Groups were organized around each activity.

A1: Issuing of urban certificates, building and demolition permits
A2: Control of discipline in construction works
A3: Public assets management
A4: Public procurement
A5: Properties registration
A6: Human Resources Management

In-depth Diagnosis

60 Working Groups members completed a questionnaire answering, individually, the following questions for each vulnerable to corruption activity, after breaking them down into smaller steps:

- What corrupt activities could take place (because of the identified vulnerability to corruption)
- Who would gain from these activities, what? Who would be affected by these activities?
- What could be the causes that would generate/allow these corrupt activities

Cause-Effect Analysis

FPDL Experts analyzed the causes identified by Working Groups members through the *Problem Tree* methodology and identified causes-effect relationships as well as levels of complexity. For each vulnerable activity one Problem Tree was elaborated and presented, discussed and completed by working groups' members during workshops.

The causes of vulnerability to corruption were a mixture of causes generated by the organization dysfunctional systems, as well as by the organization cultural norms (visible features, written and unwritten norms and rules, values and principles, believes and assumptions).

In the first step, Working Groups members elaborated solutions/strategies to address the causes relying in the organization dysfunctional systems.

Organizational Culture Analysis

A special attention was devoted to explore further the causes relying in the organization culture (such as lack of will to assume responsibilities, nepotism, weak characters who obey hierarchical bosses orders, the fear to lose the job, it is the way worked and will work). Training was embedded in the organization culture analysis.

30 Core Group members analyzed Craiova LG culture based on the metaphor of the 4 rooms that reveal an organization culture.[8] Further they identified actions they can take to change the assumptions and believes that hinder them achieving the vision and implementing the strategies aimed at treating and preventing corruption.

Staff Development and Staff Motivation Analysis

Human Resource Management being an activity identified as vulnerable to corruption was the focus of further and more in-depth analysis. During the analysis process training was embedded to improve Core Group members, managers, leaders and councilors' knowledge and skills in using the 4 different leadership styles[9] in developing and motivating their staff.

They identified their own preferred style and learned that a skilled manager/leader is able to use effectively all 4 styles by having the necessary skills to evaluate staff maturity level: (1) Staff level of professionalism – if they have the necessary knowledge and skills required by the job (2) Staff capacity to have ambitious but realistic goals (3) Staff commitment to assume responsibilities

They developed personal action plans to improve their leadership styles in relation to their staff, as well as to increase their staff motivation to work with integrity and efficiency.

In order to validate their findings, a quantitative research was conducted inside Craiova LG aimed at identifying employees' opinions about:

- What motivates and demotivates them to work in Craiova Local Government
- How their motivation to work efficiently and with integrity can be increased

A questionnaire was completed by 318 employees: 80, 5% being staff; 88% being public servants; 75% working in this organization since more than 4 years; 63% being women; 86% having graduate or post graduate studies, which shows that Craiova Local Government civil servants have professional potential that should be put in value.

Outside Stakeholders Perceptions

A research was conducted aimed at identifying the problems, as they are perceived by the target beneficiaries, of the vulnerable to corruption services/activities, as well as their proposals to solve the identified problems.

The research used qualitative methods: focus groups and in-depth individual interviews. The results obtained through these methods are not statistically representative and cannot be generalized as being the opinions of the population majority, but they offer a better understanding of certain perceptions and opinions.

In the opinion of many respondents the solutions of many identified problems included two main actions:

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[8] Edgar Schein: Art Gallery (cultural elements that everybody can see and observe), Library (written and unwritten norms and rules), Chapel (values and principles) and Catacombs (assumption and believes)

[9] **Directing** (Manager/Leader gives detailed directions on how the task should be achieved, without focusing on building relationships with his/her staff); **Coaching** (Manager/Leader continues to focus on giving detailed directions for the task achievement but is also focusing on building trustful and supportive relations with staff members; **Supporting (**Staff members become more and more competent, being directed and coached, and the Manager/Leader gives them power of decision, continuing to support relationships building with and especially among them, in order to have effective and efficient teams; **Delegating** (Manager/Leader recognizes and respects staff members' capacity to execute the tasks without systematic guidance and support. He/she delegates responsibilities, together with the necessary authority and the resources, as well as freedom of action)

(1) Finalize the municipal cadaster

(2) Professionalize civil servants, executive and staff

Looking at the findings one can observe that all the problems were also identified/analyzed with professionalism and maturity by executive and staff; actually they identified even more problems proving that insiders know better what they are confronted with than any outside stakeholder.

Solutions: Strategic Plan

Core Group members elaborated the Vision, the 5 main objectives, the strategies and actions to implement them.

Vision

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

Objectives to achieve the Vision

O1. Improve the responsible management of public funds and public assets
O2. Consolidate the quality management system in place
O3. Increase LG activities transparency
O4. Implement a modern system for Human Resource Management
O5. Develop mechanisms to prevent/limit the possibilities to misuse the official position for personal gains

Strategies

Objective 1: Improve the responsible management of public funds and public assets	
1.1.	Finalize the general cadaster and introduce the approved Urban Plans (PUD/PUZ) in the city digital map
1.2	Update General Urban Plan and Regulation (PUG, RLU) and solve disputes over administrative boarders with neighboring communes
1.3	Correlate data between Urban Department and Local Taxes Department
1.4	Elaborate a plan to control discipline in construction and improve coordination with building permits issuing
1.5	Till cadaster finalization, elaborate cadaster for city's public assets using own personnel
1.6	Introduce public assets in the city digital map
1.7	Correlate data between Agricultural Register and Local Taxes Department
1.8	Elaborate a management plan of public assets – buildings and land (leasing plan, selling plan, purchase plan, expropriations plan) based on city integrated development plan
1.9	Implement a system of monitoring the public procurement contracts (especially for public investments) from beginning till finalization
1.10	Diminish additional costs of public investments through identifying/solving project design mistakes before contracting the construction company
1.11	Increase the quality of public investments and the efficient use of public money through the professional monitoring of the construction sites
Objective 2: Consolidate quality management system in place	
2.1	Introduce a new separate activity (new process and procedures) for the elaboration of Craiova economic and social development strategic plan and for the elaboration of urban plans documents (PUG, PUZ)
2.2	Re-establish the Technical Commission for Urban Planning and revise its procedures
2.3	Revise the procedures in all departments in order to reduce the response time and increase individual responsibility
2.4	Improve the system of correspondence distribution to reduce time of documents circulation among departments
2.5	Conduct annual surveys to monitor strategic plan impact by identifying target clients perceptions on the quality of services/activities vulnerable to corruption addressed by the present strategic plan
2.6	Establish a system of registration and monitoring of councilors interpellations and the way they were solved
2.7	Elaborate procedures to regulate collaboration and communication between executive and Local Council
2.8	Clarify/increase Technical-Economic Commission responsibility for the quality of the approved public investments projects
Objective 3: Increase LG activities transparency	
3.1	Provide clear information through redesigning the structure and content of the LG site

3.2	Train staff responsible for providing information for the site, in efficient public communication, in order to elaborate structured, clear messages, using appropriate language and visuals to impact target groups
Objective 4: Implement a modern system for Human Resource Management	
4.1	Make a functional analysis (of the organization structure and activities) in order to (1) improve organization structure (2) Clarify objectives and performance indicators for each department (3) Rethink jobs number and profile for a fair and efficient distribution of tasks
4.2	Revise job descriptions in order to update, clarify responsibilities and delegate tasks to increase staff responsibility and identify individual performance indicators relevant for the work results quality
4.3	Improve personnel evaluation system to make it more objective, based on evaluating results through measuring performance indicators achievement
4.4	Recognize publicly individual and collective successes through different systems
4.5	Assure continuous improvement of knowledge and skills of executive, staff and elected officials, through relevant training, education and experience exchange with other LG
4.6	Improve personnel working conditions
Objective 5: Develop mechanisms to prevent/limit the possibilities to misuse the official position for personal gains	
5.1	Improve the internal audit to be directly subordinated to the LG leadership, to focus on financial and legal issue, to be carried on without prior announcement and focusing on relevant samples
5.2	Apply employees geographical rotation in inspection/control activities
5.3	Eliminate the direct contact between citizens who request and civil servants who decide on the requests responses in the departments where this principle is not yet applied
5.4	Improve the ethic advisor activity

Achievements

The Mid-term Evaluation

A sociological research and a final workshop were held in order to evaluate process impact, identify and synthesize lessons learned:

The sociological research used questionnaires inside the organization that were completed by two groups of respondents: 23 persons directly involved in the process of the strategic plan elaboration (public managers, civil servants and councilors) and 105 persons who were not involved directly in the process. The aim was to evaluate and compare these two groups' perceptions about the usefulness of the process and the effectiveness of its results in treating and preventing the vulnerability to corruption of the specific activities.

The Final one day Workshop, succeeded to bring together Core Group members, 30 persons, managers, civil servants and councilors, directly involved in the project activities in order to inform them about the research results, synthesize the lessons learned, evaluate what was accomplished and identify the priority actions for the next year, and last but not least identify the qualities of each of the team members that contributed to the project success and will further contribute to sustain the strategic plan implementation efforts.

Some conclusions:

The strategic planning process and its activities were known and appreciated also by employees who did not participated directly in the project activities: employees with less than 3 years within the organization seem to be more knowledgeable. Among the employees with less than 5 years within the organization the most known activities are the strategic plan elaboration and the meetings for information dissemination.

Knowledge about the strategic plan content among non-participants is more than 60%, but only 5 % declare they know it in detail and those have between 1-3 years within the organization.

Information about the project activities were disseminated mostly peer to peer among colleagues. Those having more than 5 years within the organization declare they have the information mostly from their bosses.

The activities on which the solutions proposed in the strategic plan will have most impact are seen by non-participants as the

- Human resources management
- Discipline in construction
- Public procurement and monitoring public investments

Employees having less than 1 year within the LG are the most trustful in the solutions effectiveness and impact on all activities.

The biggest impact on the organization is seen by non-participants as being increase of activities transparency and of the organizational context integrity

More than half of participants declared they know in detail the content of the Strategic Plan. Most of them are having more than 5 years within the organization

Participants perceive that the solutions identified in the strategic plan will be most effective and with the biggest impact on the following activities:

- Public procurement and monitoring public investments
- Human resources management
- Issuing urban certificates and building permits
- Properties registration

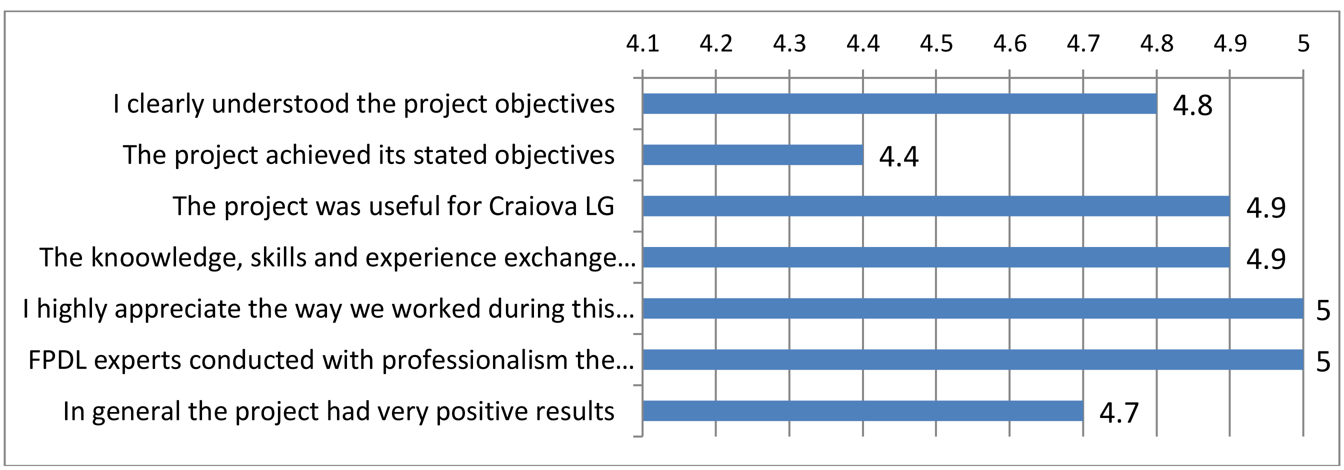
Most important changes due to the strategic plan implementation are perceived by participants as being increase of activities transparency, improvement of collaboration between departments and emergence of a team spirit.

Majority of participants perceive that LG activities improved as an effect of this project, due to better collaboration inside the organization and revision of work procedures.

Comparing the two groups' answers one can conclude that the Strategic plan elaboration process and content is well known by those participating who have to still improve information dissemination among non-participants. The best channel for information dissemination for the younger staff is from colleagues and for the older staff from their bosses.

The human resources management and the public procurement activities are appreciated by both groups as having the biggest impact from the strategies implementation. The trust that positive changes will follow from the strategic plan implementation can increase among non-participants if they will perceive real and concrete results.

The research focused also on evaluating participants' perceptions about the relationship with FPDL A-C Practitioners and their performances as facilitators and trainers. Here after are the evaluation results: 1= not agree at all till 5 = fully agree with the statements



During the workshop participants identified the most useful lessons learned at personal and organizational level:

What did we learn and was most useful at personal level

- Development of managerial capacities
- Improvement of interpersonal relations, improvement of inter-departmental relations, improvement of collaboration among executives and councilors, knowing better each other and strengthening collaboration

- Team work (3p), team work has visible results, learning how to be part of a team, learning how to work in team
- Accountability: we learned how to be more accountable
- Socializing (2p) interactive methods of relating to each other
- Auto evaluation
- Support to solve problems, support to do my job and responsibilities
- Experience, new information, pleasant experience, new knowledge, knowing better myself
- The importance of the concept of integrity, as honoring your word, keeping your promises

What did we learn and was most useful at the organization level

- The strategic plan was elaborated by us, civil servants and councilors
- The strategic plan started to be implemented
- The work procedures have improved
- Transparency increased (3p) and the staff accountability
- Relationships between executive and legislative improved
- Activities are more efficient
- We identified our organization problems and vulnerabilities, we identified solutions to address them
- We have a more transparent decision making process
- Understanding for the necessity of having work procedures increased (2p)
- Self-evaluation process, diagnosing the vulnerable activities was done from inside using a theoretical frame
- Improvement of messages transmitted to citizens

Conclusions and Awards

The journalist David Bornstein, in his book *"How to Change the World: Social Entrepreneurs and the Power of New Ideas"* identified the features of social innovations that became successful large movements. The process of developing and disseminating the Islands of Integrity™ Anti-Corruption Methodology has similar features.

Not one of David Bornstein's examples started as a government or large-system-sponsored program. Each initiative began with little funding and no fanfare. Is exactly how we started, compared with the multi-million USAID or EU sponsored anticorruption programs.

The author observed 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. This is what happened in our case also.

Another of his conclusions is that each successful innovation was driven by deeply committed and self-chosen leaders focused to make a difference and bring something new into the world. He describes them as *social entrepreneurs*, patient enough to give their ideas time to evolve and find their own way of operating. He find out that years were spent to learn what the best steps/approaches are and identify the types of people required to being successful. That is what we and the anticorruption practitioners did in the last 17 years.

Changes were brought based on the principles that people are accountable and committed to what they have a hand in creating and that they have the collective wisdom to solve their problems and create their future. These are exactly our assumptions also.

And finally, his conclusions give us hope for a successful future of our efforts. He found out that only after the initiative has evolved and succeeded on its own terms that it began to grow, gain attention and achieve a level of scale that touched a large number of people. Similarly, the Islands of Integrity™ Anti-Corruption Methodology we developed evolved and it is recognized as a world best practice.

The A-C Methodology gained international recognition in 2011 when the UN Committee of Public Administration Experts selected Martin/Slovakia and Craiova/Romania to receive the *UN Public Service Award*, under the category "Preventing and Combating Corruption in the Public Service".

Both cities applied this strategic and participatory methodology and worked with anticorruption practitioners trained by FPDL/Ronald MacLean Abaroa - WBI.

The A-C Methodology gained national recognition in 2010 in Romania: the National Agency for Civil Servants recognized Craiova process as a best practice in the category "Strengthening public service integrity, transparency and accountability", awarding the 1st prize that applied it with FPDL A-C Practitioners support