Building Integrity and Reducing Corruption in Defence

A Compendium of Best Practices

CONTENTS

Cultural Awareness in Implementing Integrity Building Programmes

The design and implementation of effective integrity building strategies and programmes depends on the ability to capture the specific influence of given organisational cultures and, in return, to strengthen those features of the organisational culture that contribute to individual and organisational integrity and deter corrupt behaviour.

Why Culture Matters?

In many post-communist, transition and developing states, corruption has reached such a scale and caused such damage to politics, the economy, society and ordinary citizens that it may be defined as a *securitised problem*.[1] Successive governments have been incapable of finding the right solution to the securitized problem of corruption and often come to power promising to "break the back" of corruption. Yet at the end of their term, both objective criteria and perceptions indicate that not only has corruption not been reduced but its tentacles have spread more widely and deeply in society. This erodes people's faith in democracy, weakens the social fabric, deepens social stratification and provides additional channels for direct and hidden influence of oligarchic and criminal structures on the country's governance. Therefore, curbing corruption becomes a top priority of national security policy.

This applies to a great extent and with increasing urgency to the defence sector. On one hand, the military is one of the top three least corrupt sectors in all recent TI perception studies, which in itself generates legitimacy and popular support for defence organisations. On the other hand, defence traditionally has been an area closed to public and even parliamentarian scrutiny. Thus, unless there are proper mechanisms for democratic control in place or a culture of zero tolerance to corruption, defence easily turns into a quagmire of foul interests and an experimental field where new corruption scams are invented and "validated."

Previous chapters in this compendium provide examples of good practice in enhancing the integrity of defence organisations, processes and individuals and reducing corruption risks in the defence sector. However, attempts to apply such good practices in other countries frequently do not have the same effect and, no matter how good the

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[1] There are problems that concern security and those that are of core importance for security, hence they become *securitized*.

intentions, are seen as imitations of initiatives that are just not suitable for the local setting.

Fundamental cultural differences are among the reasons for failure in attempts to transfer good practice. In many instances, the application of a model that is successfully imitated at the start terminates with a fiasco or brings unsatisfactory outcomes. This is due to a neglect of local specificities, traditions, experience, organization and human culture.

In other words, *culture matters*. In implementing external models and practices there should be translation and interpretation, enabling the taking into account of local particularities, dispositions and stereotypes. It should be ensured as well that models and practices, recommended from outside, have been correctly understood and are not distorted by local attitudes and perceptions.

What Makes People and Organisations Different?

Cultural differences manifest themselves on no less than seven levels:

1. *Between the West and the East*, i.e. between the Western individualistic societies and the Eastern collectivistic ones. Besides, some Slavic and/or Orthodox countries come under the so-called "in-between" societies.

2. *Between the two shores of the Northern Atlantic*. These are not radically different communities and yet after the end of the Cold War, their strategic perceptions and priorities often diverge.

3. *Between Western and Eastern Europe, separated earlier by the real Berlin Wall and later by a virtual Iron Curtain*. Notwithstanding the genuine and in many cases colossal efforts of the former socialist countries to return to the European democratic mainstream, the legacy of the previous type of political and social arrangements has permeated into societies and individuals, in worldviews and perceptions. Since 1989, Eastern Europe has been attempting to adopt, most often uncritically, Western European norms and practices, while Western Europeans tend not to notice patterns of communication and self-organisation of communities at the local level, of social contacts, parental and neighbourhood relationships, compassion and solidarity among generations, models of domestic and friendly mutual assistance and models of advancing with small steps in the pursuit of common objectives. There are behavioural patterns of informal communities that locate themselves between the *individual*—whose social and functional importance in totalitarian societies was insignificant—and the *state,* which attempted to regulate and penetrate all spheres of life.

4. *Between the institutions of power and the common citizens within the country*. In Eastern European societies there is a dual attitude of ordinary people towards power. On one hand, there are expectations that "power" must resolve all their problems, or at least the main ones. Power is the active subject of

governance, whereas ordinary people are passive objects. On the other hand, people see that those in power have their own goals and ambitions, such as higher living standards and privileges.

5. *Between the institutions of the security sector* (i.e., the institutions authorised to apply force) *and other state institutions.* The force structures continue to view themselves as structures of higher order, in the name of which the society ought to suffer privations and restrictions because "who does not feed their own army will feed a foreign one," i.e. the resources for these structures are considered guaranteed no matter how effective or efficient is their use. Militarised thinking sustains the idea that national security is sacred, that the protection of sovereignty and independence, no matter whether relevant threats exist, is the hard mission and top priority of the country and its armed forces, which has to be resourced even if that means poor public health services, education, science and environment. Box 24.1 provides two of the widely used definitions of organisational culture and its elements.

6. *Between the defence sector and the other institutions of the national security sector.* Too many people in the defence sector keep considering that—unlike for instance police and civil protection services—the defence establishment is not bound to report on the outputs and the outcomes of its activity.

7. *Between the military and the civilians in defence.* Countries in central and Eastern Europe have achieved remarkable progress in establishing democratic civil-military relations. Nevertheless, the military and civilians rarely see themselves as a team fighting against corruption; instead, they often blame the other side for lacking integrity.

All seven levels of manifestation of national and organisational cultural peculiarities deserve due attention and effort to enhance integrity, educate translators and communicators and establish built-in prevention and early warning systems. Depending on criteria and indicators chosen, a concrete weight may be assigned to each of these seven levels and then focus efforts to minimise the damages introduced by "distortions" in transferring good practices to maximise benefits.

Cultural Layers and Corruption Attitudes

In the consideration of integrity building initiatives, change agents need to consider four main layers of acquired dispositions and stereotypes towards corruption. This is particularly important when they want to trace behaviour back to the cultural peculiarities that influence perceptions of corruption, to adopt working strategies to counter corruption and to change the attitude towards it.

Box 24.1. On the Definition of Organisational Culture

One generally accepted definition of organizational culture describes it as:

The set of beliefs, values, and norms, together with symbols like dramatized events and personalities, that represent the unique character of an organization, and provides the context for action in it and by it.

Other respected theorists dealing with organizational culture prefer a general definition that does not eliminate factors that actually are part of corporate culture:

A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

These two definitions are nearly the same in terms of content. In other words, as groups evolve over time, they face two basic challenges: integrating individuals into an effective whole and adapting effectively to the external environment in order to survive. As groups find solutions to these problems over time, they engage in a kind of collective learning that creates the set of shared assumptions and beliefs called "culture."

Elements of organizational culture may include:

- Stated and unstated values;
- Overt and implicit expectations for member behaviour;
- Customs and rituals;
- Stories and myths about the history of the group;
- Shop talk – typical language used in and about the group;
- Climate – the feelings evoked by the way members interact with each other, with outsiders and with their environment, including the physical space they occupy; and
- Metaphors and symbols, which may be unconscious but can be found embodied in other cultural elements.

Sources: Gareth Morgan, *Images of Organization* (Thousand Oaks, CA: Sage Publications, 1997); Edgar Schein, "Organizational Culture and Leadership" in *Classics of Organization Theory*, Jay Shafritz and J. Steven Ott, eds. (Fort Worth: Harcourt College Publishers, 2001); "Organizational Culture," www.soi.org/reading/change/culture.shtml.

- The *historical layer* is a result of influences generated by very long historical and cultural experience. In long periods of their history, people in central and Eastern Europe have been subjugated to empires run from afar. People were in permanent contact with traditions and rules that coerced them to adopt corrupt behaviour as the main or even unique condition for communication with the local representatives of the empire. For example, different behaviour under Ottoman rule was impossible; at that time, corruption was the other name

of power and a form of its functioning. Such centuries-long experience inevitably has a durable, persistent impact on individual and societal stereotypes and dispositions, which in turn influenced the choice of living strategies.

Patience and perseverance is required to deal with such "distortion" that promotes tolerance to and acceptance of corruption. Key is the so-called *soft* measures, such as leadership, education, ethical codes and personal example. Respectively, more promising is the use of incentives, rewarding achievements in integrity. The responsibility of the political leadership is huge, since each case of corruption reinforces the general belief that corruption is natural.

- The *communist layer* consists of impacts and influences generated by the Soviet type of totalitarian government with a one-party system, state ownership of all major assets, command-administrative economy and limited human rights. The communist system has grown its own corruption, related to permanent deficiency of goods, services and opportunities (requiring alternative ways of their provision and generating corrupt behaviour). Different forms of monopoly multiplied themselves time and again and, as a natural result of the mentality and abnormal monopoly of the single party, were always in power.

  Corruption stereotypes related to the impact of empires may be seen as imposed from outside and one of the symbols of foreign dominance. In contrast, corruption in a totalitarian society is internal, indigenous practice, exercised deliberately and as a personal choice made in order to achieve some aims not necessarily related to survival. For that reason, totalitarian corruption is to some extent more damaging to the society and the individual. This is manifested in reflections such as: "I am against corruption by others, but if I have the opportunity, I would take it." Pro-corruption layers of the totalitarian period must be counteracted not by sporadic work but systematically, over time. Incentives seem to be working better here: control, police measures, dismissal and other types of punishment.

- The *transitional layer* consists of impacts and influences generated by the period of transition towards democracy in a rather brief and very dynamic historical period. Seen as a transition from a totalitarian society towards a society functioning in accordance with democratic principles and the rules of the liberal market economy, it also meant brutal redistribution of ownership, where ethics and morality, concepts such as honesty, equity and legality were pushed into the background by the hyperactive strive for the enrichment of a relatively limited number of persons. Nearly everyone has benefited by liberty and democracy but the losers from the process of redistribution of ownership are many more than the winners. This does not increase the legitimacy of the transition period and undermines support for the process of democratisation. A related effect is the widely spread attitude towards power and politics, viewed mainly as a means of increasing individual influence and enrichment.

  Thus, corruption is viewed as an effective, pragmatic and rational behav-

iour, corresponding to the meaning and the nature of the transition period. So, if the "historical" and the "communist" heritage led to attitudes towards corruption that may be defined as reactive, as a way of accepting "the rules of the game," here we witnessed a qualitatively different, proactive attitude. In such an attitude, corruption is self-reproducing and is increasingly innovative, with a self-indulging rationale that "everyone does the same" and that it is only "natural" to do so.

Tackling this layer requires a systemic multi-dimensional effort encompassing political, normative, institutional and disciplinary measures. This requires clear political vision, dedication, political will, modern legislation, institutional networking and strong sanctions, including sentencing and jailing culprits.

- The *"implanted" layer* consists of impacts and influences generated by the transfer and implementation of models and practices from outside, projecting on the consciousness of the people and changing values, norms and human relations. The liberal economic model is spreading globally, advocating the dominance of the market and private ownership. But the global economy also experiences problems with manageability and global corporations tend not to take into account the interests of host nations and societies. The excessive emphasis on private and corporate interests may have a negative impact on societal and personal ethics and may facilitate corruption and other abuses of power. There are cases when international corporations use corruption channels to enter new markets, including in selling armaments. And when Western companies are involved, the negative effects on local political and business elites, as well as on the state administration, are particularly strong. Witnessing that "Westerners behave in the same manner" often removes remaining ethical barriers to corruption.

Strategies to Address Cultural Specifics

Accounting for the cultural specifics of the respective society, we can identify four main types of strategies to be implemented to address corruption.

(1) At the International Level

At this level the strategies include primarily:

- Elaboration of international standards of integrity and the use of *benchmarking* to define "best" regulations and practices to be transferred. Here a balance is needed between the general validity of standards and best practices and the need to adjust them to the particular cultural environment;
- Denying the use of double standards towards administrations and companies of the host and Western countries; introduction of ratings of firms with a "reputation of integrity" and, correspondingly, refusal to get into contractual rela-

tionships with companies that do not figure into such lists or have a low "integrity rating";

- Defence Integrity Pacts and Alliances;
- Extension of the World Bank's Public Expenditure and Financial Accountability (PEFA) process to defence;
- Strict requirements for clean procurement;
- Budget transparency and anti-corruption strategies in the defence sector;
- Allocation of considerably more funds for training; education and research in the field of integrity building and good governance.

In addition, in the majority of the new NATO and EU member countries, as well as in other states on the way to modernization, the concept of "integrity" is not clearly conceived as the opposite of corruption. Therefore, along with the efforts to build integrity, the strategic priority of the fight against corruption has to be continuously emphasized so that it does not remain hidden behind talks of integrity.

(2) At the National Level

Strategies at this level should take into account national peculiarities to the maximum extent possible. Strategies should be based on precise diagnostics of the disease and not just on its symptoms.

In many nations, the need for survival under dramatic circumstances has been conducive to imitations of adaptation and mimicry: on the surface, there is apparent adoption of the norms of the external actor, whereas national specificity remains underneath. Institutions and politicians are capable of saying and demonstrating to Europe what they think Europe wants to see. To some extent, this is the case with the fight against corruption. There is often an abundance of strategies, laws and institutions for countering corruption and the reporting to European institutions is "perfect," no matter how poor the practical results are. Thus, long-existing practices of nepotism, clientelism and favouritism easily reproduce themselves.

On the other hand, the so called "high context" often prevails in local cultures, i.e. whatever is said and done should be interpreted in the concrete cultural context and according to the circumstances. Status, respect and "saving face" are what matters most. Behaviour styles are adaptive, preferring adaptation to the environment, avoidance of direct confrontation and concealment of discrepancies.

At this level outside institutions, European or Euroatlantic institutions should adopt a type of "name and shame" strategy of explicit and dosed pressure, with continuous external oversight, frequent checks and monitoring reports, accompanied with sanctions and signs of limited trust. At the same time, in order not to make local elites lose faith nor to alienate society, there should also be periodic praising and acknowledgement of good practices that have been successfully implemented.

Such strategies include measures to:

- Incorporate systemic early warning and prevention mechanisms;
- Create barriers to corruption of a systemic nature;
- Enforce disciplinary sanctions for corrupt behaviour, including for return of misappropriated assets;
- Provide for advanced auditing of all public sector activities;
- Create a new, synchronized political and economic culture.

(3) At the Security Sector Level

The strategies at this level are bound by cultural specifics of national security sectors, particularly those related to a traditional and sometimes quite powerful secretive culture.

Even in the most transparent form of government—democracy—there are areas where transparency is limited, for example on matters of national security. Nevertheless, transitional states should acknowledge the need to open up their security system to parliamentarian scrutiny and audit. The secretive culture must be replaced by a culture of transparency and accountability, which gradually should transform into a culture of transparency and reporting in order to deter practices of corruption, as well as ineffective and inefficient governance.

Strategies at this level should serve three goals in enhancing governance and integrity:

- The first goal is to promote the understanding that the national security system no longer enjoys the exclusive, "untouchable" status it enjoyed in the totalitarian society. At the beginning of the 21st century and under the principles of democracy, the security sector must struggle for legal, personnel and resource provisions on an equal footing with other public sectors such as education, healthcare and social protection, etc.

- The second goal is to promote the understanding that the national security sector is not "subscribed" for resources and that the expenditures for it are not inevitable. Instead, they have to be seen as investments that should provide good returns and serve the society well, and not just be a burden.

- The third goal is to promote the understanding that national security and the security sector are not a topic for a restricted group of experts, isolated from common citizens. Rather, it is a sphere of activity that belongs to and represents the legitimate interests of every citizen.

Strategies at this level aim to strengthen the transparency of security sector institutions and establish legal norms so that the information created by or in the interest of state organizations should become public to the maximum extent possible. Long existing fears of the people of institutions of force add another dimension. Hence, good practices such as open phone lines, mailboxes, reception-rooms and others, guaranteeing anonymity, may also be applied in support of a transparency strategy.

(4) At the Level of Defence

Strategies at this level take into account the specifics of the defence sector, established patterns of civil-military relations, the status enjoyed by the nation's military and the role of the defence industry.

Under communism, the military organisation was like "a state within the state" because of its unique position in the security system. In the years of transition, society is often reminded of that status. The military much too frequently explains loss of prestige and resources with pressures from abroad and "betrayal" by politicians. This automatically makes them politicized; in subtle ways, the military attempt either to oppose elected officials or try to directly influence politics, seeing civilian control as infringing on their interests.

Also under communism, defence was a priority of paramount importance. Years afterwards, defence and the armed forces kept being favoured in financing, consuming the lion's share of public resources, often to the detriment of other security sector institutions. That in itself was a factor for attracting corruption scams and bad governance practices.

Many socialist countries also supported certain regimes with armaments—through sales or "brotherly assistance"—that were later placed under restrictions by the international community. This then enhanced a culture of covert and illegal operations, often supported by the intelligence services. That heritage is not yet overcome; it hinders control over the military, their budget and activities.

In addition, frequent changes of government led to cycles of tension within the defence administration. On more than one occasion, as ministers of defence were appointed persons without adequate competencies, they fed on opportunities offered by the Ministry of Defence to derive benefits for themselves and their political associates. Ministers and their political cabinets were often busy not with the formulation and implementation of policy but serving as hotbeds of corruption.

The strategies at this level should be multidirectional and address a wide spectrum of problems, deficits and challenges. Regardless of attempts by the Ministry of Defence to introduce Planning, Programming, and Budgeting Systems (PPBS), capability planning methods, advanced defence acquisition management principles and so on, implementation is often superficial, whereas Soviet attitudes and procedure remain. Problems are most acute in financial and materiel planning, implementation and reporting where the emphasis is kept on the input and too often decisions are made not according to policy objectives and sound planning but based on expedience.

Over-centralization of resource allocation decision making, combined with a lack of transparency, contributes to arbitrary rules and corruption. The situation is aggravated further when the parliament does not oversee major defence procurements, the process of utilisation of surplus equipment and infrastructure, and there is no open discussion on the real needs and budget levels for the security and defence sector, nor an adequate control and audit. It is very hard to find examples in post-communist coun-

tries of objective assessments and whether and to what extent the allocated resources have generated security.

There are, nevertheless, some promising developments. For example, in a 2007 audit of the Ministry of Defence, the Audit Office of Bulgaria assessed not only whether the budget was spent in compliance with the law but also whether this was done in an effective manner. The report underlined the lack of sufficient political documents with clearly defined, measurable and achievable goals and the fact that required capabilities have not been defined. It also stated that the MoD uses a large and complex hierarchy with five levels of management and the administration employs an excessive number of people with responsibilities for planning, programming, executing and accounting of programmes and budgets.

It may seem like a trivial comment if made in a country with well-established governance mechanisms in defence but in particular cultural settings some observers defined it as a "revolutionary" undertaking. Box 24.2 provides other examples of integrity at different levels.

Box 24.2. Promoting Defence Integrity in Post-Communist Settings

The experience of Bulgaria provides a few examples of integrity-based change processes on the political, international, doctrine implementation and institution building levels.

Military Doctrine of 1999: An Example of Political Integrity
After the elections in 1997, the Bulgarian government made a clear commitment to bring the country into NATO and the EU. In line with that commitment, the parliament ratified a new national security concept and, a year later, a new Military Doctrine that stipulated Bulgaria as a *de facto* member of NATO and the EU and provided a vision, strategy and base for implementation planning in this direction. That happened after more than a year of effort to jump-start real defence reform, which was stymied by attempts by the conservative military leadership to replace it with camouflaged adaptation, and the replacement of several senior political and military officials. Expert consultations, political-military cooperation and a public discussion then facilitated defence reform. During open discussions on draft texts of the Military Doctrine it became clear that the arguments used by some conservative members of the military did not survive in real debate.

The Kosovo Crisis of 1999: Integrity on the International Level
The Kosovo crisis illustrates the importance and value of integrity as a key principle for success. First of all, the NATO operation in Kosovo was a clear example of integrity in action and provided a good lesson for the Bulgarian people of what political integrity means on the international level. Second, the same principle of integrity was the key criterion for the decision-making process in the government regarding the conflict, especially its support for the Kosovo intervention. The policy was in full compliance with Bulgaria's Security Concept and Military Doctrine, and provided a test case for the key ideas underlying the defence reform plan that was under development in this period. The coherence of policy and action provided a solid foundation for gaining public support and maintaining all the consultations with NATO and indi-

vidual states, including for denying Russia's request to permit military flights over Bulgarian territory.

Plan 2004: Integrity in the Implementation of the Doctrine
The development of the defence reform plan known as "Plan 2004" was quite different from any other similar undertaking in Bulgaria till 1999. First, it was based on the National Security Concept and the Military Doctrine, under clear leadership of the prime minister and with support from the president and parliament. Second, it was based on a solid operational analysis of many options for the structure, strength, equipment and training, and possible courses of action for the armed forces. Third, force development was coordinated with plans for education and training, intelligence and counterintelligence, medical support, logistics support, social support, acquisition and research, transition of functions and structures outside the MoD, transforming military formations outside MoD into civilian organizations, etc., all supported by a clear implementation mechanism and institutions and sound budget projections until 2004. The plan not only provided for downsizing and restructuring but also for institution building and process improvement through introduction of a Planning, Programming, and Budgeting System (PPBS), incorporation of mechanisms of transparency, accountability and measurement of results, along with the use of operational analysis in defence decision making.

Defence Management, Integrity and Institution Building
The Implementation of the Military Doctrine and Plan 2004 was supported by the introduction of PPBS and a special study on defence governance and management. There was a study on civil-military relations and parliamentary control starting in 1998 and after the approval of Plan 2004 a new study was initiated with the UK MoD Department for Consultancy and Management Services (DCMS) to further institutionalize the practices of good governance and defence management, including changes in the organic statute of the MoD and Bulgaria's Defence Law. In order to increase transparency, accountability and the measurability of management processes, the minister of defence established the Programming, Integration, and Modernization Councils, supported by the newly established Defence Planning, Euroatlantic Integration, and Armaments Policy directorates, as well as a newly organized J5 in the General Staff and similar division in the services' headquarters.

In conclusion, since culture is so deeply rooted in an organization's history and collective experience, working to change it requires a major investment of time and resources. Help from a change agent outside the system is often advisable. Without such help, it may be difficult for insiders to view the realities of defence as something they have constructed and to see meaning in things they normally take for granted. On the other hand, a change agent coming from outside defence or outside the country needs to be aware of the specific culture of the defence organisation. The NATO Integrity Building initiative, supported by the established trust fund, may be used to take on the challenge of culture change in defence in order to make defence establishments more transparent, effective and efficient.