A Formula for Integrity:
Institutional Leadership with External Accountability

Keynote address by Professor Christopher Stone
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Honorable Chief Justice
Honorable Ministers
Most excellent Ambassadors
Council Chair and distinguished Councilors,
And dedicated participants in this National Dialogue

I am honored by the invitation to address you today.

I have been asked to share with you some international experiences regarding anti-corruption strategies and their implications for your work here in South Africa. I am happy to do so, though the story itself is not a happy one, as international experience has not, for the most part, been good.

Most countries have signed up to the UN Convention Against Corruption and have developed national strategies to eradicate corruption, yet corruption continues to thrive almost everywhere. We saw that yesterday, with the police raids across Portugal and the resignation of its prime minister. In my hometown of New York City, the FBI has been investigating the campaign fundraising of the current mayor, causing the head of one anti-corruption NGO to worry that the city is again for sale and that "New York has gone back to the bad old days where pay to play and bribery were just part of political life."[1]

It's not just New York. Your national anti-corruption strategy notes that South Africa has ratified
- the United Nations Convention against Corruption
- the OECD Convention on Combating Bribery
- the African Union's Convention on Preventing and Combating Corruption, and
- SADC's Protocol Against Corruption.

And yet most of the countries that have done the same have seen no improvement in the perception of corruption in their countries. Twelve years ago, Transparency International unveiled its new and improved corruption perception index to help us measure progress, but

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[1] Emma G. Fitzsimmons and Michael Rothfeld, "Did Fake Donors Give the Mayor Real Money? The FBI wants to know" in *New York Times*, 4 November 2023, available at https://www.nytimes.com/2023/11/04/nyregion/eric-adams-straw-donor-scheme.html.

what it's measured instead is stagnation. In the latest report, more than 85% of countries were still right where they started on the Index a dozen years earlier.

In short, what the fight against corruption requires today, what the world requires, is innovation. Fortunately, here in South Africa, with your widely admired constitution, you are one of the world's great innovators in the architecture of governance.

What international experience can do is alert you to the traps into which others have fallen.

One of the strategic mistakes made in many countries has been underestimating the systemic nature of the problem. These countries usually design their anti-corruption institutions to do two things: the hard work of law enforcement (investigation, prosecution, adjudication), and the work of prevention—often imagined to be "soft" (public education, civil service training).

But it rarely works. Why? Because it's based on a false picture of corruption. It mistakenly imagines that corruption results from a few corrupt people having worked their ways into positions of power and then acted corruptly. This is a picture of corruption as a virus: a foreign disease that has infected us. And this picture leads to a predictable strategy: kill the virus and then focus on prevention. Prosecute the corrupt people who have slipped inside and then do everything you can to keep other corrupt people out through background checks and other devices when you're recruiting.

But that is not where corruption comes from.

Corruption is in the system. It doesn't enter with a bad person, it is in the nature of big power and big money to which people in government have daily access. Power corrupts, as Lord Acton famously said. Good people find themselves inside these institutions with lots of power and money, and they start going along with corrupt schemes in which they never imagined they would be complicit.

So, the work against corruption is not like fighting a virus; it is about building systems of integrity and institutional cultures of integrity that keep people on mission, working in the public interest, and not using the power and money at their disposal for private gain.

This is constant work for the leadership of every public institution, and there's nothing soft about it. Call it prevention if you must, but don't imagine it is easy or just a side show. If anti-corruption efforts are to include training, the training that's most needed is not public education about bribery, but training for the leaders of public institutions in system leadership and culture change.

Law enforcement is crucial. I've spent most of my career helping to strengthen the institutions of the justice sector in many countries. Investigating and prosecuting corruption, especially grand corruption and state capture is difficult yet essential work. And the experience of other

countries makes clear that the investigators and prosecutors must be well equipped, well trained, and effectively independent.

Yet equipping and training investigators and prosecutors, especially to tackle cases of grand corruption, is becoming harder worldwide. There was once hope that the digital revolution would make criminal investigations and adjudication more efficient—as it has with so much that we do—but the opposite has happened. As so much of our lives are now lived in the digital realm, criminal investigations must now sort through unimaginable quantities of digital evidence. The sheer volume and technical complexity of digital evidence has resulted in fewer police investigations leading to prosecutions, not more, worldwide.

Even the wealthiest countries struggle to keep their police and prosecutors equipped and trained with the latest digital forensic tools, but most countries are not even close to equipping their law enforcement agencies with the tools needed to collect, analyse, and use digital evidence effectively. In conversations with the heads of digital forensic units in Europe and North America, I've asked if they work with peer institutions here on the African continent. The answer has always been no, they do not know of a single world-class digital forensic unit in Africa, but they look forward to the day when they will have a peer on the continent, and my personal expectation is that South Africa will lead the continent in this new forensic capability.

But even the best investigators and prosecutors won't stop corruption on their own. We cannot just prosecute our way out of corruption. The work of law enforcement must be aligned with the work of the leaders in each department, ministry, municipality, and state-owned enterprise, the leaders building systems and cultures of integrity in their institutions. Success against corruption comes from this partnership between external accountability and internal leadership working constantly on integrity. That means the work must proceed department by department, ministry by ministry.

At Oxford University's School of Government, I teach a course on public corruption turnarounds in which we dig down into the real work of building institutional systems of integrity and leading culture change. Let me share just two stories drawn from that course to illustrate just what this kind anti-corruption work looks like.

The first story comes from the United States and is about turning around one of the most notoriously corrupt police agencies in the country. At the end of the last century, the police department of New Orleans, Louisiana, was thoroughly corrupt, with police officers on the payroll of organised crime, even carrying out killings on behalf of the criminals, politicians using the police to pursue personal vendettas, and worse. The tolerance of this corruption finally broke when a police officer shot and killed another police officer under orders from a criminal gang, and the cop he killed turned out to be his former patrol partner.

The young reform mayor hired a new police chief from Washington, DC, and that new chief crafted a plan to turn around the department. He knew that probably 80-90% of the police officers had participated in the corruption one way or another, but he guessed that the

organisers, the ring leaders, were no more than 10 or 15%. He asked the FBI to help him remove those ring leaders, and they did so, investigating and arresting many of them. At the same time, he dug into the department to find those 10-20% who had kept clear of the corruption, and he looked for opportunities to promote them into senior roles. He knew that this was one of his most potent tools for culture change: promotions from within the institution.

As an aside, I note that Chief Justice Zondo in his reports on state capture, does a great service by describing not only the acts of corruption his Commission uncovered, but also the people who resisted corruption and maintained their integrity, people like Themba Maseko, the CEO of the Government Communication and Information Service in 2010. As Justice Zondo wrote, if there had been more public servants like him, the project of state capture could have been stopped in its earliest days. Well, there are people like Maseko in every department, no matter how corrupt. The leader's job is to find them, and promote them. And that's what happened in New Orleans.

The police chief took other steps as well, increasing partnerships and exchanges with other departments nationally, expanding transparency with the public, and more. The strategy worked, and within 2 or 3 years, the department was widely praised for its newfound professionalism and effectiveness.

Unfortunately, what the mayor and police chief refused to do was open the department to routine outside inspection and oversight. They saw *themselves* as the guarantors of the department's integrity, and did not trust an outside body to do so. The result was that when the mayor reached his term limit and the police chief lost the next election for mayor, they both left town and the reforms they had introduced fell away. Within a few years, the New Orleans police were again deeply corrupt.

There are lots of lessons here, but the main point is that prosecuting the corrupt officers was a crucial part, but only a part of the turnaround. The key was leadership and a plan to build integrity. The flaw was that, once FBI was done, the leadership did not understand the value, indeed the need, for continued outside oversight to maintain the reforms.

The second story is happening today in Brazil. Like South Africa, Brazil lived through a massive corruption scandal from 2014 to 2019, with prosecutors revealing massive corruption in the state-owned oil company and its connection with the huge bribes being paid to dozens of politicians by one of the largest construction companies in the Americas. But when that sensational case was over, and Lula returned to the Presidency, the question was how the government could maintain the drive against corruption across the Federal government.

This task fell in large part to the Secretary of Public Integrity within the Office of the Comptroller General. She has authority to set standards for integrity across the executive branch of the federal government of Brazil, and so her office requires every federal ministry and department to maintain an ombuds office and a disciplinary board, to conduct internal

audits and annual integrity risk assessments, and to set annual goals for improvements. Her office also collects data on all of these processes in each department.

Earlier this year, the heads of two different departments with big corruption risks came to her and asked for help. One was a state-owned enterprise for regional development, the other was a department within the Ministry of Education responsible for dispersing federal funds to the states. They were complying with all of her requirements, but they were having trouble acting on the results. The systems were surfacing problems, but the leadership teams did not feel able to solve those problems effectively on their own.

In response, the Secretary of Public Integrity launched a new programme in which her staff provides mentorship and advice to leaders of a few high-risk departments on how to strengthen their systems and build cultures of integrity.

In both New Orleans and Brazil prosecution of corrupt officials played crucial roles in the stories, but the hard work of stopping corruption and building cultures of integrity required daily work by the leaders of individual public institutions.

In both New Orleans and Brazil, we can see the value of partnerships between institutional leadership and external accountability. On its own, external accountability can maintain pressure for reform, but it can't make the needed reforms from the outside. On their own, institutional reformers can reduce corruption in the short-term, but it can rebound as soon as the reformer is gone. Together, however, internal leadership with external accountability can build cultures of integrity that last.

So let's be clear about the implications of this for your work here in South Africa, and here at this National Dialogue. You are designing the architecture that should serve South Africa for decades, hoping to prevent a return to the abuses of state capture, and, equally important, to build cultures of integrity across the society and all of government. But what is the work that these new structures will undertake?

The picture should not be one of a beautiful new institution protecting the country from infection by corrupt actors.

Instead, the future of anti-corruption lies in the establishment of cultures of integrity, department by department, ministry by ministry, SOE by SOE. And that work is best undertaken through partnerships between institutional leaders and outside institutions of accountability.

What is the institutional architecture that can train and support those institutional leaders? What is the institutional architecture that can allow law enforcement to play its essential role? Those are the questions on which the world is eager to learn from you.