The impact of ‘islands of integrity’

Query

Is there evidence for so-called islands of integrity to effect sustainable public sector transformations at the national level and, if so, please provide an overview of the research and evidence?

Content

1. How do islands of integrity emerge in corrupt environments?
2. The impact of islands of integrity
3. Challenges and opportunities for a wider impact
4. References

Caveat

There is no substantive evidence-based research on the sustainable impact of islands of integrity on the wider system, nor is there enough specific literature on islands of integrity. Nevertheless, the broader literature on positive outliers in public administration offers guidance on where and what to look at when thinking about the impact of islands of integrity.

Summary

Islands of integrity are public institutions that reduce corruption despite being surrounded by endemic corruption. Research on islands of integrity and documented empirical evidence on their impact in the broad context is very scarce. Moreover, their impact is context dependent and would require case-by-case analysis. Nevertheless, the literature on positive outliers in public administration offers valuable guidance to reflect on the different impact levels and the wider impact of islands of integrity.

Islands of integrity have an impact at three levels. One is the impact caused by their “corruption-free” performance. A second level is their impact in fulfilling their institutional purpose. The third level is their effect on the wider system.

One crucial obstacle to the wider impact of islands of integrity is the absence and limitations of methodologies to identify those positive outliers. The lessons that can be learned and potentially transferred to other institutions and sectors depend on making existing outstanding cases visible. Islands of integrity also offer opportunities.
The impact of "islands of integrity"

regarding the identification and amplification of knowledge and the stimulation of innovation.

1. How do islands of integrity emerge in corrupt environments?

The term "islands of integrity" refers to public institutions that are successful at reducing corruption despite being situated in a context of endemic corruption. While there is no formal definition of islands of integrity in the literature, generally they have the following characteristics: i) they are self-contained areas that distinguish themselves from other public institutions in the same country in that they are corrupt-free and effective within corrupt and dysfunctional national contexts; ii) they are not focused on fighting corruption but rather they have their own institutional mandate; iii) they fulfill their mandate "corruption free" or with considerably lower levels of corruption compared to the rest of public institutions in the same context.

Considering the difficulty of completely eradicating corruption, there is no stipulated threshold to determine how corrupt a public institution can be in its performance to still be defined as an island of integrity. The size of its impact on reducing corruption in its own operations depends on how corrupt the broader context is.

The reflection on islands of integrity is generally part of a broader field of research on the existence of positive outliers in public administration from a development perspective. Public institutions providing services efficiently despite being in an environment dominated by bad management and bad governance receive several names in the literature such as "pockets of productivity" (Daland 1981), "pockets of effectiveness" (Leonard 2008; Roll 2011a), "pockets of efficiency" (Geddes 1994), "islands of excellence" (Therkildsen 2008), "islands of effectiveness" (Crook 2012) and "positive deviance" (Andrews 2013).

The research on positive outliers in public administration has been mainly focused on how they can emerge in corrupt environments rather than on their impact. There are two lines of thought regarding the causes of their emergence:

- Management style: a management style that encourages participation, flexibility, teamwork, problem solving and equity exists in 12 out of the 15 good performers studied by Grindle; whereas a management style characterized by top-down decision making, favouritism, lack of consultation, and poor capacity to organise or direct work exists in 10 out of the 14 poor performers.

- Performance expectations: it refers to give employees clear signals on how diligently they should work and about the quality of work expected from them.

- Autonomy in personnel management: to have autonomy for decisions about hiring, promotion and firing personnel might prevent centralised decisions on the placement or displacement of people based on party affiliations or personal contacts. It would also increase the capacity of the institution to set performance standards and hold employees accountable to meet those standards.

- Sense of mission: it is considered essential for the commitment of workers to the goals of the institution and get motivation from them. Components of having sense of mission are: professionalism, sense of being unique and special, self-believe in the own capacity, external recognition of skills and capacities, strong sense of service, and pride in contributing to the good that the institution is doing to society. Sense of mission is independent of salary or other type of remuneration.

Along with the ability of an institution to carry out successful managerial reforms, Leonard (2008) adds organisational aspects as explanatory factors of effective agencies in weak governance contexts. Among those aspects are:
The impact of "islands of integrity"

- Organisational autonomy: the organization has autonomy from political interference in its decisions, especially regarding personnel and financial decisions. This autonomy has to be earned by convincing powerful groups in the society of the value of the organisation’s autonomy and that it should be protected and enhanced.
- Specificity of benefits and incentives: the organization’s outcomes should be intense, immediate, identifiable without difficulty, and focused on a self-conscious group.

Political aspects

Roll (2011a) analyses the existence of “pockets of effectiveness” from a political sociology perspective where public administration is understood as a political process inserted in a socio-political context. From the analysis of two case studies in Nigeria – the National Agency for Food and Drug Administration and Control (NAFDAC) and the National Agency for the Prohibition of Traffic in Persons and Other Related Matters (NAPTIP) – he concludes that the key political mechanism for the emergence of pockets of effectiveness is the interaction of political interest and function. Political interest is important because it is necessary to overcome the political obstacles that prevent the well-functioning of public institutions in a certain society. However, even if necessary, political will is not enough for the existence of pocket of effectiveness. Other functional aspects such as leadership and managerial factors are also necessary. Thus, political interest of a decisive political actor (or group of actors) for a particular public service is a precondition for other managerial aspects to play a significant role in the emergence of pockets of effectiveness.

A practical implementation

Inspired by the research on pockets of effectiveness, Ronald MacLean Abaroa and Ana Vasilache, under the leadership of Robert Klikgaard, have elaborated the "Islands of Integrity" Anti-Corruption Methodology, awarded with the UN Public Service Award. A key pillar of this methodology is the creation of the right context to prevent and influence dishonest behaviour by lowering the monopoly of public services, reducing discretion in decision-making processes, and increasing transparency and accountability (Vasilache 2016). A second pillar is to transform public leaders and managers from judges or prosecutors into institutional reformers. In other words, this methodology proposes to leaders and managers a new approach following a rational/strategic methodology to change not only corrupt individuals but also public policies and organisational systems that foster corruption. The third pillar is the promotion of a participatory process that involves engaging with multiple stakeholders for the implementation of the reforms. This methodology has been applied since 2009 in more than 12 Central, Eastern and South-eastern European countries and 30 local governments. Information about their impact on the wider system could not be found.

2. The impact of islands of integrity

There is no substantive empirical research on the sustainable impact of islands of integrity or data about the scope of that impact. Nevertheless, the research available suggests the different levels at which islands of integrity can have an impact and how it occurs. Islands of integrity have three types of impact: i) the impact produced from a "corruption-free" performance; ii) impact from fulfilling their institutional mandate; and iii) impact on the wider system.

Impact from creating a “corruption-free” performance

To provide a ‘corruption-free’ performance in a highly corrupt national context requires going against the norm and adopting measures to compensate for the contextual constraints. For example, to promote the necessary institutional reforms, institutions might face challenges like the opposition from the patronage-based political-administrative elite, as experienced in the case of Nigeria (Roll 2013). To overcome these challenges implies readjustments in the political and governmental system. For instance, President Obasanjo in Nigeria chose to balance his cabinet and his appointments including greater consideration of regional, religious and ethnic representation, and rewarding powerful party members and friends (Roll 2013).
One of the most powerful impacts of the institutional reform involved in those readjustments is the change of culture within the institution. For instance, to recruit members of staff according to merit and education in a patrimonial society implies breaking with the usual appointment practice, based more on personal preferences, which can generate opposition of the elites. Another example is to install a culture of accountability within the institution, or to discipline or dismiss underperforming members of staff (Roll 2013), changing procedures and expectations previously shaped by patrimonial practice.

The extent of the impact produced from the changes leading to achieve a corruption-free performance is mainly determined by the approach used to establish the institutional reform. Andrews (2013) analyses two competing approaches to explain positive deviance in public sector reforms in development: “solution and leader driven change” (SLDC) and “problem driven iterative adaptation” (PDIA).

In the SLDC approach, solutions are the focus of change and are fully identified from the beginning. The institutional reform is completely planned in advance and implemented as planned by a leader, and it is expected to achieve a pure pre-designed best practice solution. In contrast, in PDIA, the institutional change is motivated by a problem, not a solution. Reforms and progress are achieved through trial and error with multiple agents playing different leadership roles. The product in this case is the result of many influences and it is fitted to the particular context.

The potential impact of each of these approaches is quite different because they engage differently with the context. The impact on the context of a reform following a PDIA approach is bigger than with a SLDC approach. PDIA tends to be “the approach required when reforms are in particularly complex areas, contextual impediments are severe and difficult to navigate, and there are not clear solutions” (Andrews 2013: 23, 24). Thus, it is expected that PDIA would have a broader impact because it is more localised and responsive to contextual needs. It also involves constant improvements and adaptability along the way, such as the formation and skills improvement of local people involved, and it requires the engagement of a broad set of agents with responsibility to implement the reforms. By contrast, SLDC “could work when reforms are more technical and do not demand contextual fit” (Andrews 2013: 23, 24). The type of reform brought by SLDC requires smaller interventions, and its impact is expected to be more focused on one institutional aspect but potentially deeper.

**Impact on greater efficiency**

The impact of islands of integrity derived from fulfilling their institutional mandate would depend on the characteristics and type of institution. Institutions devoted to providing basic public services would have a different impact than judicial institutions. An important aspect in this regard is that to do outstanding work without or with lower corruption does not necessarily mean that they are successful in fulfilling their institutional purpose.

For example, there is a widely held notion in the literature of a causal relationship between bribery patterns and the quality of service delivery (Deininger and Mpuga 2005; Kaufmann et al. 2008). Following this argument, an expected impact of islands of integrity devoted to providing public services would be the improvement of service delivery. However, Peiffer and Armytage’s (2017) research on Uganda’s health sector challenges this assumption. Uganda’s health sector is considered an island of integrity that managed to significantly reduce bribery in the sector. Nevertheless, Peiffer and Armytage’s findings show that a reduction of bribery did not improve healthcare service delivery as a result, and patients did not receive more affordable healthcare or a better service.

A disconnection between “clean performance” and “efficient performance” raises questions on how the former can have a greater influence on the latter and, thus, to effect a positive performance impact of the islands of integrity. Joshi (2010), in assessing the impact of several transparency and accountability initiatives in service delivery, finds that a range of accountability initiatives have been effective in their immediate goal, but the evidence of impact on the accessibility and quality of
services is mixed. The author reaches the overarching lesson that context matters. Among the contextual factors that contributed in varying degrees to the successful cases are the nature and strength of civil society movements, the relative political strength of service providers (for example, through unions), the ability of cross-cutting coalitions to push reforms and an active media, among others (2010). For example, the presence of an active and independent media and a civil society willing to use information to press for accountability and reforms, as well as public officials catalysed by evidence of the poor performance of their agencies, were critical in influencing the impact of report cards in Bangalore (Joshi 2010).

Impact on the wider system

The impact of islands of integrity on the wider system refers to their capacity to trigger public sector transformations at the broader national context, for example by the adoption of accountability or transparency mechanisms working in the islands of integrity by other institutions. The empirical evidence on the “spill-over” effect of islands of integrity in the wider system is very scarce. Nevertheless, there are some attempts to provide theoretical support to this potential impact.

Roll (2011b) introduces three theoretical models of how pockets of effectiveness could trigger broader public sector transformation. One is the ‘demonstration effect’, which occurs when the performance of the pocket of effectiveness attracts the attention of the government (for example, if it might want to improve service delivery in the context of elections) or of the civil society (who can lobby for a broader sector reform). Following the literature on norm diffusion, in the case of the government being attracted to the idea of transforming the public sector according to the pocket of effectiveness model, the institutional reform could be more motivated by their congruence with the institutional environment in which they evolve than by their efficiency (Gilardi, 2012). In that case, the ‘spill-over’ effect would respond to the process rather than to the outcome.

A second way is the ‘bureaucratic contagion effect’, which might occur when civil servants see another organisation performing well. This attention might be awaken in public officials when there is some degree of intra-administrative competition and some degree of commitment with the country’s development.

The third model presented by Roll is the ‘bureaucratic seed effect. In this case, the potential to transform the public sector might take place when members of pockets of effectiveness move to other organizations and take their commitment with the public good, expertise and reform-mindedness with them.

There are at least two determinants of the potential impact of islands of integrity in the wider system: the motivation behind the institutional reform, and the interaction between internal institutional factors and the external context.

The motivation behind the institutional reform

Exceptional institutional performance requires the support of the political authorities to exist (Roll 2013). The key question is whether the authorities are primarily motivated to use that reform to preserve part of the system as it is according to their own agenda, or whether there is willingness to expand it to other areas of public life. The reason why islands of integrity, even if they are successful in reducing corruption, keep being “islands” would likely be different in each case.

In trying to discover why strong public institutions exist in weak patrimonial states, Roll (2013) finds that the motivations driving actors to create pockets of effectiveness can vary widely. Sometimes they are instrumental rational motives, such as guaranteeing sources of income or protecting natural resources from foreign interventions. In these cases, the spill-over to other public institutions is likely to be limited.

For example, the success of the Surinam’s state oil company (Staatsolie) as a pocket of effectiveness is in part explained by the strategic motive to do not let the institution be influenced by political interests and favours. It is also explained by Staatsolie’s use of its legal position to build an independent oil company and to upgrade the
The impact of “islands of integrity”

technological and management expertise in Surinam (Hout 2014). That strategic motivation was present from the conception of the institution, created by the then military government in Surinam with the purpose to enhance the effectiveness of the state’s presence in the oil sector.

Data on Staatsolie’s impact could not be found. Nonetheless, the conclusion Hout (2014: 28) reached from the analysis of this case supports the observation that “a successful state-owned enterprise can coexist alongside inefficient parastatals and a government bureaucracy infested with practices of patronage and clientelism”. This suggests a reduced or non-existent impact of Staatsolie’s success in the wider system. The strategic motivation behind Staatsolie’s creation suggests that the impact would be very much concentrated on the company’s management.

In other cases, motivations respond to strong nationalist ideologies or the understanding that change is necessary (Roll 2013). For instance, the motivation behind turning Brazil’s national development bank into a pocket of effectiveness was to use it as a tool for modernising the state apparatus (Willis 2014). This broader and inclusive motivation of the whole state apparatus suggests a greater possibility to for the success of the Brazilian development bank to spill over to other public institutions.

Interaction with the external context
The extent of the impact of islands of integrity on the wider system is also affected by the interaction of the institution with the external context. In thinking about institutional impact, Kuwajima (2016) distinguishes between contextual factors beyond influence and contextual factors within influence. Beyond influence are socio-economic-political, structural and institutional factors and actions of certain agents. The context within influence is, according to Kuwajima (2016), the space in which functional and internal factors (such as management style, performance orientation, mission, organizational autonomy) of the institution proactively interact with external political and contextual factors (like socio-economic-political factors, structural and institutional factors, actions of external actors). Those interactions can have different impacts, from creating culture to contributing to economic growth or building a new relationship between governments and citizens based on trust.

Following an example from the development literature on pockets of effectiveness, Kuwajima’s (2016) analysis of the Phnom Penh Water Supply Authority (PPWSA) in Cambodia, identifies that the interaction between the institution and the society was shaped by a shift in customer relations, which rebuilt the public trust in the institution and created, as a consequence, a culture of payment. What caused the shift in customer relations was the establishment of a system to identify real costumers and introducing compulsory metered bill collection, which helped the institution to create a culture of payment with rigorous and differentiated strategies for egregious offenders and poor communities.

A similar experience can be found in the city of La Paz, Bolivia, after the implementation of the anti-corruption policy by the mayor, Juan del Granado (in office from 1999 to 2010). The La Paz municipal government showed its commitment to be at the service of the society, for example by the creation of the Continuous Improvement Units to help citizens in their bureaucratic diligences and Transparency Units. That helped, among other aspects, to regain the trust of the citizens followed by a growing public commitment to the public good expressed in an increase in tax collection – the number of citizens paying tax on real estate grew by 52 per cent from 2000 to 2004 (Zúñiga and Heywood 2015). Moreover, these improvements helped to restore the city’s financial credibility and enabled it to attract funding from the World Bank and the Inter-American Development Bank, both of which had previously been cautious about lending to Bolivian institutions due to their reputation for malfeasance (Zúñiga and Heywood 2015).

Another interaction identified by Kuwajima (2016) is how the reform of the organisational culture of the PPWSA based on discipline, elimination of impunity and strict application of rules, put into effect the legalisation of autonomy (without effect between 1988 and 1993). A decree proclaimed in
3. Challenges and opportunities for a wider impact

Challenges
Islands of integrity offer a great potential to learn lessons that could be applied to other institutions or contexts. However, that potential is reduced due to the lack of a reliable methodology to identify and make successful cases visible. So far, the most common methodology used to identify positive outliers is reputational: cases are selected because of an institution’s good reputation (Peiffer and Armytage 2017). However, this methodology presents two main limitations: i) cases are selected according to experts’ subjective perceptions based on factors that influence public and expert opinions; ii) it overlooks successful cases that have not been yet identified and do not have a strong reputation.

To overcome these limitations, Peiffer and Armytage (2017) have developed a three-stage methodology combining qualitative and quantitative research methods. The first stage is the statistical identification of potential positive outliers using predictive regression analysis based on data concerning bribery reduction and household-level survey data on the payment of bribes to several actors drawn from Transparency International’s Global Corruption Barometer (GCB). The second stage is a vetting exercise consisting of a literature review and consultation with in-country experts. The third stage is a rigorous qualitative analysis involving fieldwork and semi-structured interviews with local actors with two main purposes: to confirm or refute the potential positive outliers statistically identified, and to assess why and how positive development change occurred.

This methodology, which might constitute the first application of the positive outlier approach to be applied to cases of corruption reduction, has helped to identify cases such as Uganda’s health sector and South Africa’s police sector.

Opportunities
Islands of integrity offer opportunities to have a wide impact on the transfer of knowledge from individuals to the community. For example, one way in which knowledge transfer takes place is through the identification of hidden knowledge held by certain individuals or groups in a community who are enabled to find better solutions to problems while having the same resources as their peers (Konovalenko and Singhall 2017). Islands of integrity offer the opportunity to uncover alternative understandings and ways of institutional performance against the norm and, in that sense, help to identify and disseminate new knowledge.

The potential impact of the transfer of knowledge is to facilitate a “paradigm shift” that motivates community members to question old attitudes and practices, replacing them with new insights (Konovalenko and Singhall 2017). The amplification or dissemination of knowledge occurs when more and more community members embrace the new social practices generated as a result of the movements of knowledge from the individual realm to the collective.

In particular, islands of integrity can foster change in the wider system by allowing the identification and externalisation of knowledge in two ways. One is through the implementation of islands of integrity following a problem driven iterative adaptation (PDIA) approach to find local solutions and include multiple local agents in the process. PDIA can potentially generate knowledge because it addresses complex situations without clear solutions and, often, innovation happens out...
of the lack of alternatives. Moreover, PDIA approach has the flexibility to adapt itself to the local circumstances, opening up the possibility of uncovering hidden local knowledge.

A second way is to see islands of integrity as a platform that sheds light on a new way of understanding public institutions – as institutions genuinely committed to fighting corruption – and challenging existing institutional setups and attitudes around corruption. This platform could foster a collective questioning of attitudes and practices around corruption, and enhance new practices regarding accountability and transparency among citizens and civil servants (Konovalenko and Singhall 2017).

Another opportunity for a wider impact offered by islands of integrity is the stimulation of innovation. Studies on positive deviants in development show how the collective intelligence of positive deviants can stimulate innovation, permitting people to experiment with new ways of doing things and improve their living conditions under adverse socio-political circumstances (Prasad and Hambly 2009). For example, in a community-based participatory plant breeding project with farmers organizations in Nepal, one youth member had a positive deviance behaviour when, contrary to the breeding procedures followed by the other farmers, he developed his own rice variety. He used breeding lines that were grown by the project with the vision of breeding a dry season variety of rice with characteristics similar to one of the main season varieties to potentially replace an obsolete dry season varieties (Prasad and Hambly 2009). That capacity could also be applied to islands of integrity, since they challenge the status quo and introduce new approaches to old organisational structures and institutional setups, promoting alternative mind-sets and approaches against corruption.

4. References


The impact of "islands of integrity"

"Identification and Amplification of Tacit Knowledge: The Positive Deviance Approach as Knowledge Management Praxis."


