National Integrity Assessment Report

In collaboration with the National
Statistics Bureau of Bhutan

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Foreword

The Anti-Corruption Commission is pleased to present the first Integrity Assessment (IA) Report 2009.

IA, in general, is an 'assessment of whether, in an organization, a public official follows standard procedures in providing public services fairly and transparently and that the services are not processed based on personal propensity towards a special condition or inducement.'

Through this report, agencies should be able to understand their level of integrity from the spectrum of perceived and potential integrity and work towards improving it further through systemic correction and other engagements. It is our hope that this report will give necessary reason for agencies to appreciate the need for change. The report is also expected to provide the Government with reliable information on the condition of service delivery and the prevalence of corruption in the country, as it is based on the first hand experience of service users over a definite period of time.

The national integrity score is 7.44 on a scale of 0-10, indicating a good level of integrity. However, we must be mindful of the respondents' reluctance to be candid and the lower level of potential integrity (6.61), which highlights systemic vulnerabilities to corruption.

The ACC would like to institutionalize integrity assessment by conducting such surveys after every three years to continually measure integrity and evaluate the anti-corruption measures initiated by respective agencies based on this report. However, as much as the ACC would like to strengthen IA through reduction of its weaknesses and limitations, we would also like to request agencies to maintain proper records of their clients as it is imperative for the assessment to be relevant and successful. Proper information management could be initiated while public service agencies are already collaborating with the Good Governance Affairs, Cabinet Secretariat (former IPSDS-Improving Public Services Delivery System), on development of service standards and simplification of systems.

The Anti-Corruption Commission takes this opportunity to express its gratitude to the National Statistics Bureau, which conducted the survey and the technical analysis. Its heartfelt gratitude also goes to all the respondents, whose cooperation was vital and who we hope will be more open and frank in answering our questions in future.

Finally, the Anti-Corruption Commission would like to place on record the generous support of the Anti-Corruption and Civil Rights Commission (ACRC), Republic of Korea, in sharing the methodology, and more so, for the inspiration to initiate such an important strategy.

Together, we can indeed build a cleaner and a stronger democratic Bhutan!

Neten Zangmo
Chairperson

1. INTRODUCTION

Oxford Advanced Dictionary defines integrity as "*the quality of being honest and having strong moral principles*". The Transparency International calls it as "*behaviors and actions consistent with a set of moral or ethical principles and standards, embraced by individuals as well as institutions that create a barrier to corruption.*" (Transparency International, 2009). For the purpose of this study, integrity is defined as "*people's perceptions about the degree to which public officials distance themselves from corruption and bribery*", (Anti-Corruption & Civil Rights Commission, Republic of Korea, 2007).

Drawing from the experiences of the Anti-Corruption & Civil Rights Commission, South Korea (ACRC), in terms of how Integrity Assessment helped reduce corruption in their country, the Anti-Corruption Commission has also embarked on the journey to assess the level of integrity in public service agencies with an objective to enhance national integrity through identification of the levels of corruption and corruption-generating factors and accordingly encouraging public organizations to put in place anti-corruption measures in the system. This survey was the first of its kind in Bhutan.

Integrity Assessment, in general, is an assessment of whether, in an organization, a public official follows standard procedures in providing public services in a fair and transparent manner and that the services are not processed based on the personal propensity towards a special condition or inducement.

The National Integrity Score for the country, from the assessment of 43 services from among 27 public organizations, was calculated at 7.44 on a scale of 0 (highly corrupt) to 10 (highly transparent). While bribery, both in terms of frequency and amount, did not appear to be a major problem, ease of raising objection, counter corruption efforts and need for additional contacts while processing service scored the lowest indicating high potential for corruption in future. From the category of public organizations, *Gewogs* scored the highest indicating better transparency in the course of service delivery while procurement services in general scored the lowest.

Some of the major challenges faced during the course of this study were: (i) lack of information due to poor habits of information management in the public organizations, (ii) lack of proper home addresses of the clients and (iii) general reluctance of the people to speak-out their minds during the interview.

Adopting the ACRC's methodology, the Integrity Survey 2009 was conducted in collaboration with the National Statistics Bureau (NSB) of Bhutan. The Anti-Corruption Commission plans to institutionalize Integrity Assessment by conducting such survey after every three years.

2. OBJECTIVES

Along with the main objective of improving public service delivery through the elimination of corruption opportunities in public organizations, Integrity Assessment has the following subsidiary objectives, as well:

- To provide Base Line Performance Index that would serve as bench mark against which organizations can strive to enhance integrity and promote good governance in future;

- To provide Performance Target Index so that organizations know where they stand, comparing with other public organizations in terms of their performance and work towards achieving their set target in the subsequent year;

- To induce sense of competition among organizations through open publication of integrity result and accordingly give due recognition to the organization with the highest level of integrity; and

- To provide Performance Diagnosis Index so that organizations know where exactly are their problems in the process of service delivery and work towards improving it through corrective and preventive measures.

3. METHODOLOGY

3.1. Concepts

Integrity is an abstract concept whose definition may differ from person to person according to his/her focus. However, for the purpose of assessing integrity in an organization, integrity needs to be defined from the perspective of the clients who have had first-hand experience of service delivery from a particular organization, instead of approaching it from the service providers' perspective.

In general, corruption is said to occur when public officials do not fairly and transparently follow the set standard procedures during the course of service delivery and process services according to personal propensity towards special condition or inducement, leading to a different service process or result. When such a phenomenon prevails in an organization, integrity is deemed to be low.

As mentioned in the beginning, this survey defines integrity as "people's perceptions about the degree to which public officials distance themselves from corruption and bribery" (Anti-Corruption & Civil Rights Commission, Republic of Korea, 2007). It is divided into two categories: "*perceived integrity*" measuring corruption perceived or experienced by those clients who avail of the services and "*potential integrity*" reflecting corruption probability based on the analysis of corruption factors.

3.2 Scope of the survey

3.2.1 Criteria for selecting corruption-prone services

In order for the service to be categorized as corruption prone service, following criteria were adopted:

- Services vulnerable to corruption as per the Corruption Perception Survey 2007;

- Services which have substantial economic impact (positive or negative) for clients as a result of decision/handling of public officials in-charge;

- Services which cause serious reputational damage to clients as a result of decision/handling of officials in charge; and

- Public services which are highly monopolized and exclusive in terms of the way public officials in charge conduct duties.

The list of the organizations and their services selected for the survey is at Annexure-II.

3.2.2 Ratio of the services in the overall integrity

Since the overall integrity is determined by the composition of integrity in each service, there was a need to decide on how many services to be reflected to arrive at the overall integrity in an organization. Although a component ratio of the survey sample is widely used for general opinion surveys, it has no relation with corruption probability. Therefore, for this survey, composition of the overall integrity score is determined by the integrity score of those services selected on the basis of corruption probability.

Since there is no way to come up with corruption probabilities in advance, integrity score of each service was evenly counted to arrive at the total integrity score. In other words, the average of the surveyed services scores are the score of the survey item in an organization.

3.2.3 Reference period

Reference period for all the services was one year (January 1st – 31st December 2008) and all the scores were determined based on this reference period.

3.3 Sample design

3.3.1 Target organizations & services

With the selection of 27 public organizations as target groups, a total of 43 services were selected as target service for the assessment.

More public service organizations are planned to be added through an analysis of organizational characteristics in the next round of Integrity Survey scheduled for 2012. The list of target organizations of Integrity Survey 2009 is as attached in Annex 2.

3.3.2 Size of survey sample

The sample size of the survey was 6,155 service users pertaining to 8 ministries, 6 dzongkhags, 20 geogs, 3 autonomous agencies and 2 corporations. Since government procurement had more or less the same clients (suppliers) for every government organization, it was considered as a separate agency for the purpose of this study (refer Annex 2).

At least 50 service users from among the total service users were considered as the representative number of samples. However, for those services with less than 50 service users, all users were surveyed. This was based on the confidence level of 95% and allowable error predetermined by survey designers.

3.3.3 Training and field operations

Five officials (3 from NSB and 2 from ACC) were trained on the use of Integrity Assessment by the ACRC in Korea, who in turn trained supervisors and enumerators (20 Dzongkhag Statistical Officers and four NSB office staff) from 14 to 15 June 2009. After the training, field work was carried out from 16th June to 30th July 2009.

3.3.4 Response rates

Despite the best efforts of the supervisors and enumerators, incidences of non-response have been experienced during the survey. A service user was treated as a non-response if a particular client could not be contacted after three attempts. The overall response rate was calculated at 57.63 percent.

Low level of response rate can be attributed to the sensitive nature of the questionnaire as well as to the poor management of information in public organizations. Some information provided by some of the organizations was not only inaccurate but also inadequate in its details, especially with regard to the current address of service users. Some of the service users refused to answer questions even after having clearly explained the cost and benefit of such a survey. The service users were assured that the data collected would remain confidential and that their identity would be protected.

The following table illustrates the planned and canvassed sample service users during the course of the survey.

Sample service users planned	Sample service users canvassed	Response Rate (%)
6,155	3,547	57.63

3.3.3 Allowable error

The following formula was used to arrive at the allowable error for the purpose of this study.

$$1.96 * \frac{SD}{\sqrt{n}}$$

Where SD = Standard Deviation of scores by organization
n = Number of surveyed organizations
Confidence of overall integrity: ± 0.05 scores at 95 % confidence level.

Formula to arrive at the allowable error for the overall integrity by organization.

$$1.96 * \frac{\sqrt{V(y)}}{\sqrt{n_i}}$$

Where $V(y) = a^2 * V(y_1) + (1-a)^2 * V(y_2) + 2a(1-a) \, Cov(y_1, y_2)$

y = Overall integrity by organization
y_1 = Potential integrity by organization
y_2 = Perceived integrity by organization
a = Weight of potential integrity
$1 - a$ = Weight of perceived integrity
$Cov(y_1 y_2)$ = Covariance of potential integrity and perceived integrity

3.3.4 Selection of service users

'Simple Random Sampling' was used to select the service users after obtaining the list of service users of the organizations to be surveyed. For organizations with less than 50 service users, all service users were interviewed.

3.4 Overall assessment framework

The following table illustrates the field, sub-field and survey items. A sample of the questionnaire is at Annexure-I.

Field	Sub-field	Survey item
Perceived Integrity (3 items)	Perceived corruption	Perception of bribery, gift or entertainment offer
	Experienced corruption	Frequency of bribery, gift or entertainment offer
		Size (amount) of bribery, gift or entertainment offer
Potential Integrity (8 items)	Working environment	Common practices of bribery, gift or entertainment offer
		Need for additional contacts
	Administrative system	Practicality of standards and procedures
		Degree to which information is publicly disclosed
	Personal attitude	Fairness in the performance of duties
		Expectation of bribe or entertainment
	Corruption control	Level of counter-corruption efforts
		Ease of raising objections

3.5   Weight generation

3.5.1   Weight for survey items, sub-fields and fields

Since survey items, sub-fields and fields have different impact on integrity, weight for each unit was determined after collecting opinion from 27 experts, comprising of academicians, researchers, civil servants, business persons and lawyers.

3.5.2   Process of generating weight for survey items, sub-fields and fields

Two rounds of opinion collection from the experts were carried out, following which weights were generated for each field and sub field. The weights assigned to the field, sub-field and survey items are as given below:

Field	Weights	Sub-field	Weights Assigned (W2)	Survey items	Weights
	0.412	Perceived corruption	0.487	Perception of bribery or gift of entertainment (W3A)	1
			0.513	Incidence of bribery / gift / entertainment (W3B)	0.608
				Amount of bribery / gift / entertainment (W3C)	0.392
Potential Integrity (W1B)	0.588	Working	0.218	Common practices of bribery or offer of entertainment (W3D)	0.463
				Need for additional contact / meetings (W3E)	0.537
			0.254	Practicality of standards and procedures (W3F)	0.523
				Degree to which information is publicly disclosed (W3G)	0.477
		Personal attitude (W2E)	0.29	Fairness in the performance of duties (W3H)	0.529
				Expectation for bribe or entertainment (W3 I)	0.471
		Corruption control (W2F)	0.235	Level of counter-corruption efforts (W3J)	0.491
				Ease of raising objections (W3K)	0.509

3.5.3 Formula for total integrity measurement

To calculate the total Integrity Score, the following formula was used.

- $TI_i = A_i \times W(A_i) + B_i \times W(B_i)$
- TI_i = Total integrity for an organization
- A_i = Percieved integrity
- B_i = Potential integrity
- $W(A_i)$ = Weight for perceived integrity

$$W(B_i) = \text{Weight for potential integrity} \left(1 - W(A_i)\right)$$

3.5.4 Formula for field integrity measurement

The Integrity score for each field was produced by using the following formula.

$$B_i = \sum_{i=1}^{n}\left(X_i \times W_i\right)$$

- B_i = Integrity for each field
- X_i = Integrity for each sub-field
- W_i = Weight for each sub-field

n = The number of sub-field

3.5.5 Formula for sub-field measurement

The Integrity score for each sub-field was produced by using the following formula.

$$X_i = \sum_{i=1}^{n}\left(Y_i \times W_i\right)$$

- X_i = Integrity for sub-field
- Y_i = Integrity for each survey item
- W_i = Weight for each survey item

n = The number of survey items

3.5.6 Weight of target service

For the purpose of determining organizational level integrity, all services included in this survey in an organization were allocated with same weights. For example, if 3 services of a particular organization were targeted, then those services carried equal weights in terms of determining the integrity level of that organization.

3.5.7 Individual respondent evaluation

For the purpose of evaluating individual respondent, each questionnaire was scored by adding the respondent's responses to the 7-point rating survey items. Then, all the respondents' ratings for each item were added to obtain the score for an individual item.

3.5.8 Gauging integrity

A full score for survey items, sub-field and field is 10. To gauge integrity, a 7-point Likert scale has been used for each item and then the resultant score was further converted to a 10-point scale. The following formula and the table illustrate the conversion of a 7-point Likert scale to a 10 point scale.

$$\text{Converted Score} = \frac{(7 - \text{point scaled score-1})}{6} \times 10$$

Response	7-point scale	10-point scale
Absolutely yes	1	0 or 10
Mostly yes	2	1.67 or 8.33
More or less yes	3	3.33 or 6.67
Average	4	5
More or less no	5	6.67or 3.33
Mostly no	6	8.33 or 1.67
Absolutely no	7	10 or 0

3.5.9   Organizational sum evaluation

Although questionnaires were to be individually answered, the scores, however, were not given for individual's questionnaire but for the entire organization. The items on "Frequency of gratuities/entertainment" and "Amount of gratuities/entertainment" reflect corruption experience. For these two items, individual responses to corruption experience, frequency and bribe amount have been added by organization and then were put into a calculation formula to obtain the score for each organization. No item has been scored individually.

$$\text{Survey Item Score for Organization} = \frac{\text{Scores for Service A} + \text{Service B} + \dots + \text{Service n}}{n}$$

Where "n" is the number of services assessed for an organization.

3.5.10   Conversion of response to frequency of gratuities/entertainment offers

For the purpose of conversion of response to frequency of gratuities/entertainment offers, the following formula was adopted.

$$\text{Organizational score for the frequency of gratuities/entertainment offers} = 10 \times \left(1 - \frac{\text{Average bribing frequency}}{UCP_1}\right)$$

Where: UCP -

UCP_1 = the average $(\overline{x})$ of sample distribution of the average frequency of offer by organization $+ 2 \times$ the value of standard deviation (s)

3.5.11 Conversion of responses to amount of gratuities/entertainment offers

For the purpose of the conversion of the response to amount of gratuities/entertainment offers, the following formula was adopted.

$$\text{Organizational score for the amount of gratuities/entertainment offers} = 10 \times \left(1 - \frac{\text{Average bribe amount}}{UCP_2} \right)$$

Where: UCP_2 = the average (μ) of sample distribution of the average size of offer by organization + 2×the value of standard deviation (σ)

Note: (the values or numbers after 95% or 97% in a graph virtually do not have any meaning statistically. So they are regarded as zero (0). Hence UCP exists).

3.5.12 Reliability Test

Integrity is impossible to measure explicitly. Therefore, it is important to combine all questions into a single numerical value. When items are used to form a scale they need to have internal consistency, i.e. all items should measure the same thing so that they are correlated with one another. A useful coefficient for assessing internal consistency is Cronbach's alpha (Wikipedia , 2009) and the formula is given below:

$$\alpha = \frac{N}{N-1} \left(1 - \frac{\sum_{i=1}^{N} \sigma^2_{Y_i}}{\sigma^2_X} \right)$$

Where N is the number of components (items), σ^2_X is the variance of the observed total test scores, and $\sigma^2_{Y_i}$ is the variance of component i. Alpha ranges from zero (no internal consistency) to one (complete internal consistency).

It calculates a number of commonly used measures of scale reliability. Specifically, it provides information about the relationships between individual items in the scale and measures the extent to which the items in your questionnaire are related to each other. It also provides the overall index of the repeatability or internal consistency of the scale and identifies problem items that should be excluded from the scale. The following table shows the calculation of Alpha.

Item	Sign	Item-test correlation	Item-test correlation	Average inter-item covariance	alpha
Practicality of standards	+	0.6193	0.4703	1.022378	0.6995
Information disclosure	+	0.641	0.4936	0.9982191	0.6944
Common practices of bribery	+	0.5879	0.4321	1.052103	0.707
Need for additional contacts	+	0.5457	0.3007	1.066842	0.7435
Fairness in performance	+	0.6136	0.4332	1.001385	0.7057
Expectations for gratuities	+	0.6295	0.4852	1.016885	0.6971
Perception of bribery	+	0.6411	0.4893	0.9936828	0.6948
Anti-corruption efforts	+	0.3579	0.1869	1.255718	0.7478
Ease of raising objection	+	0.3779	0.1562	1.054705	0.7137
Test scale				**1.051441**	**0.7357**

Using the Cronbach's alpha formula and data, Alpha for this survey calculates to 0.7357 passing the reliability test. Alpha has the following general 'Rule of Thumb' to assess its reliability test.

$\alpha > 0.9 \rightarrow$ Excellent
$\alpha > 0.8 \rightarrow$ Good
$\alpha > 0.7 \rightarrow$ Acceptable
$\alpha > 0.6 \rightarrow$ Questionable
$\alpha > 0.5 \rightarrow$ Poor
$\alpha < 0.5 \rightarrow$ Unacceptable

4. FINDINGS

4.1 Overall Integrity

On the scale of 0-10, (*where 0 means highly corrupt and 10 means highly transparent*), the overall integrity score or the National Integrity was calculated at 7.44. This score is based on the services provided by 27 public-sector organizations comprising 43 public services during the period 2008.

The National Integrity is composed of 'Perceived Integrity' reflecting the personal perception and experience of respondents in terms of corruption and 'Potential Integrity' reflecting the potential factors for corruption as perceived by the respondents. While Perceived Integrity managed 8.60 score on the scale of 0-10 indicating very good level of integrity, Potential Integrity managed only 6.61 score indicating potential for more corruption in future.

The following diagram shows the national integrity score for the year 2008.

Figure 1. National Integrity Score
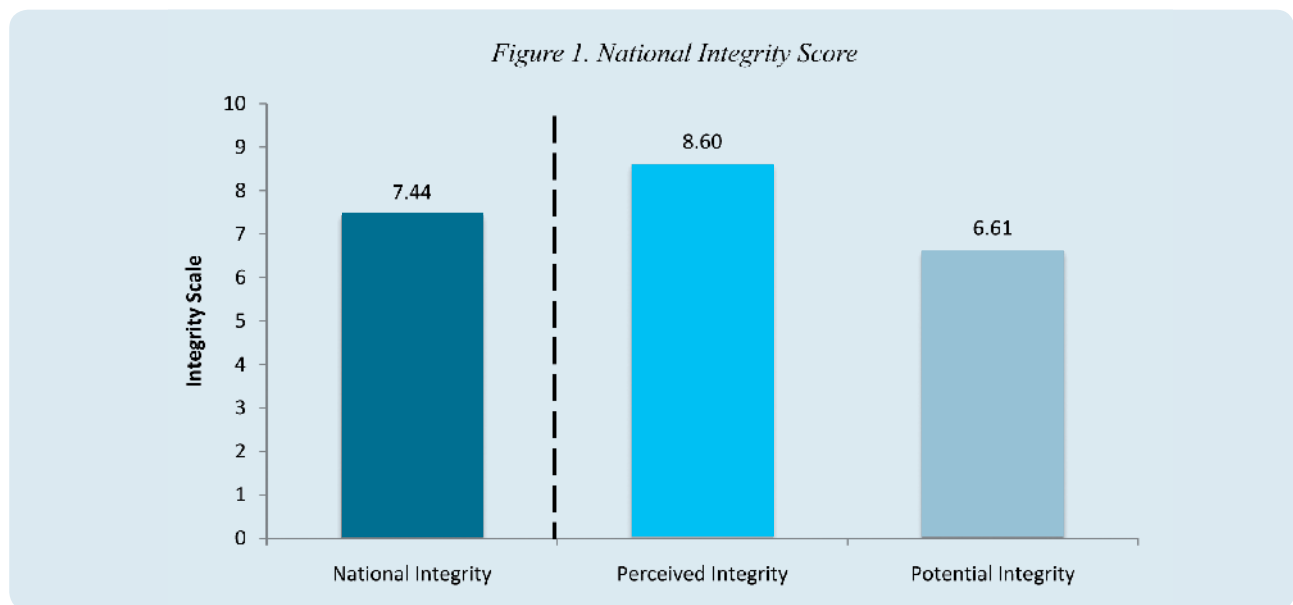
4.2 Integrity by field

4.2.1 Perceived Integrity:

Perceived Integrity, comprising of 'perceived corruption' and 'experienced corruption' managed a score of 8.60 (on the scale of 0-10) indicating very good level of integrity. While majority of the respondents denied taking part in corruption per se as indicated by the score of 'experienced corruption', there were respondents who felt or sensed that corruption was taking its toll during the process of service delivery in public organizations. The following diagram illustrates the level of Perceived Integrity with its sub fields.

Figure 2. Field score (Perceived Integrity and its sub-fields)
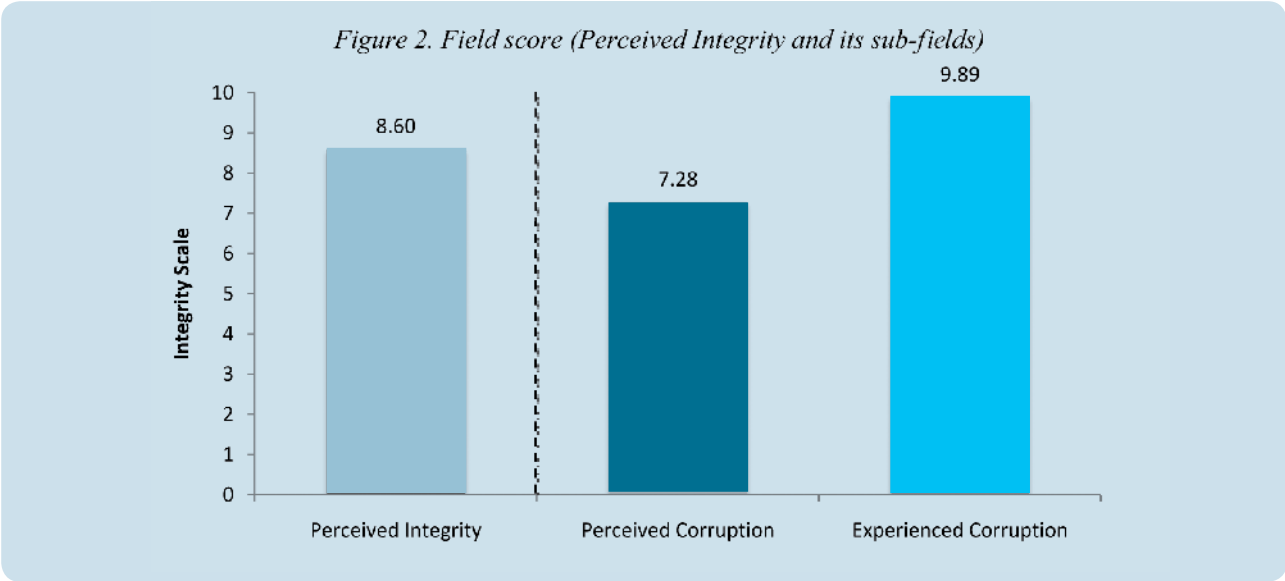
4.2.2 Potential Integrity

Potential Integrity comprising of 'Working Environment', 'Administrative System', 'Personal Attitude' and 'Corruption Control Measures' managed a score of 6.61 indicating only good level of integrity. As apparent from the scale of 0-10, (*where 0 means highly corrupt and 10 means highly transparent*) there is still room for improvement in the potential sector of the integrity.

While 'Administrative System scored the highest with the total of 7.37 scores, 'Corruption Control Measure' scored the lowest with the total score of 5.72. The following diagram illustrates the level of Potential Integrity with its sub-fields.

Figure 3. Field Score (Potential Integrity and its sub fields)
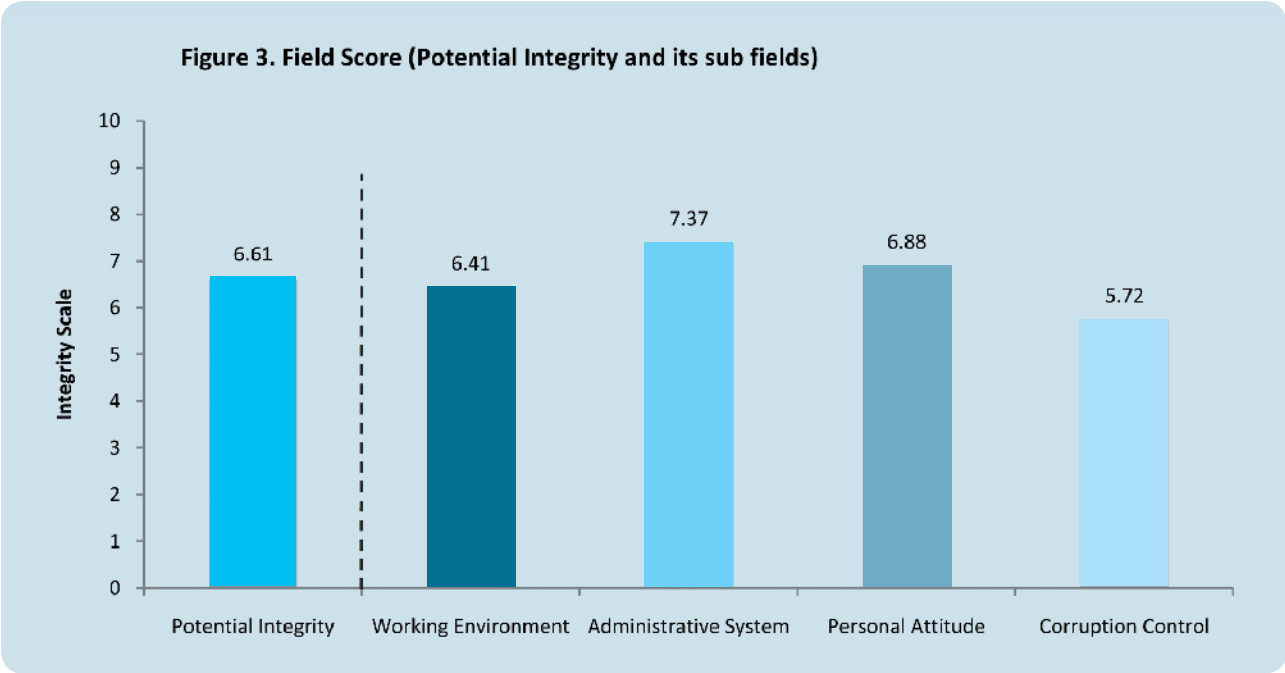
4.3   Integrity by sub-field

4.3.1   Experienced corruption:

Experienced Corruption is the actual level of corruption as experienced by the respondents. It is composed of the amount of bribery/ gift/entertainment and frequency of bribery/ entertainment.

The following figure illustrates the level of corruption as experienced by the respondents on the scale of 0-10.

Figure 4. Experienced Corruption with its Survey Items
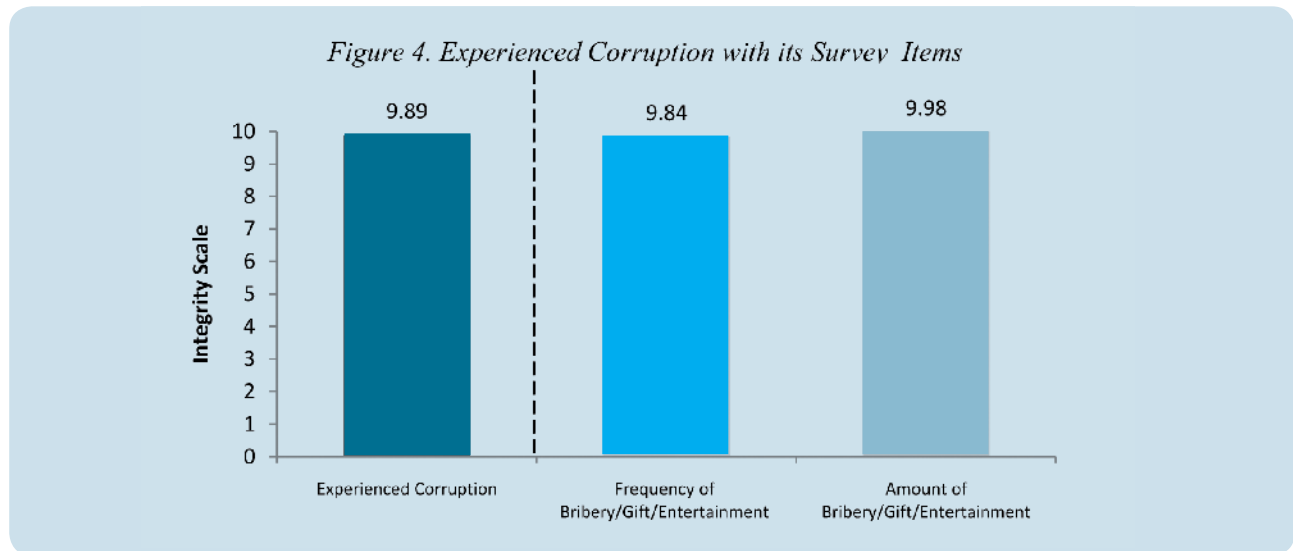
On the scale of 0-10 (*where 0 means highly corrupt and 10 means highly transparent*), Experienced Corruption' obtained a total of 9.89 scores. It indicated that very insignificant proportion of the respondents actually resorted to giving bribes, entertainments and other gratifications while availing services from the organizations. Both frequency and amount did not seem to matter much. However, given the sensitivity of the question (as per the feedback of enumerators), it may be assumed that most of the respondents were not honest in answering this particular question.

4.3.2   Perceived corruption:

Perceived corruption is the level of corruption as recognized by the respondents.

The following figure illustrates the level of corruption as recognized by the respondents on the scale of 0-10.

Figure 5. Perceived Corruption
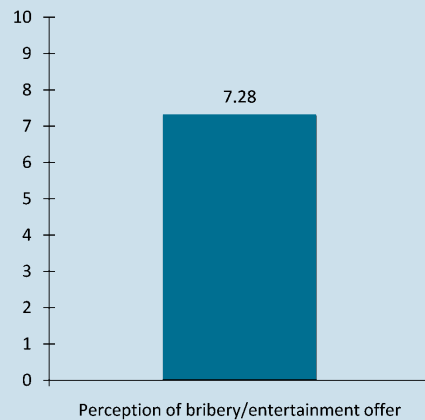
On the scale of 0-10, it obtained a total 7.28 score. While many did not confess to giving bribes/gifts/entertainments, few in their own perception, recognize that public servant and service recipients do indulge in giving and taking bribes/entertainment during the course of service delivery.

4.3.3   Working environment:

The working environment refers to other tangible and intangible practices surrounding the work place.   Working environment is composed of 'common practice of bribery/ entertainment' and 'need for additional contacts'.

The following figure illustrates the working environment as recognized by the respondents on the scale of 0-10.

Figure 6. Working Environment and its survey items
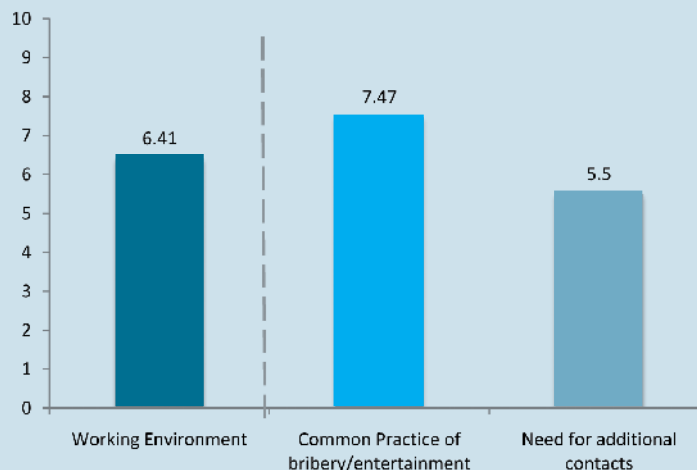
On the scale of 0-10, Working environment obtained a total of 6.41 score indicating potentials for corruption to occur in future. While bribery/entertainment with the score of 7.47 was not as much a common practice, need for additional contacts with the score of 5.5 was found

to be a major problem. Additional contact refers to unofficial meetings outside the official hours and beyond the office premises including residence, making telephone calls and others like that of coffee house and bars. "Working Environment" was one of the lowest rated conditions in the system.

4.3.4 Administrative system:

Administrative System is composed of the 'Practicality of standards and procedures' including rules and the degree to which information is publicly available and disclosed.

The following figure illustrates the condition of administrative system as recognized by the respondents on the scale of 0-10.

Figure 7. Administrative system and its survey items
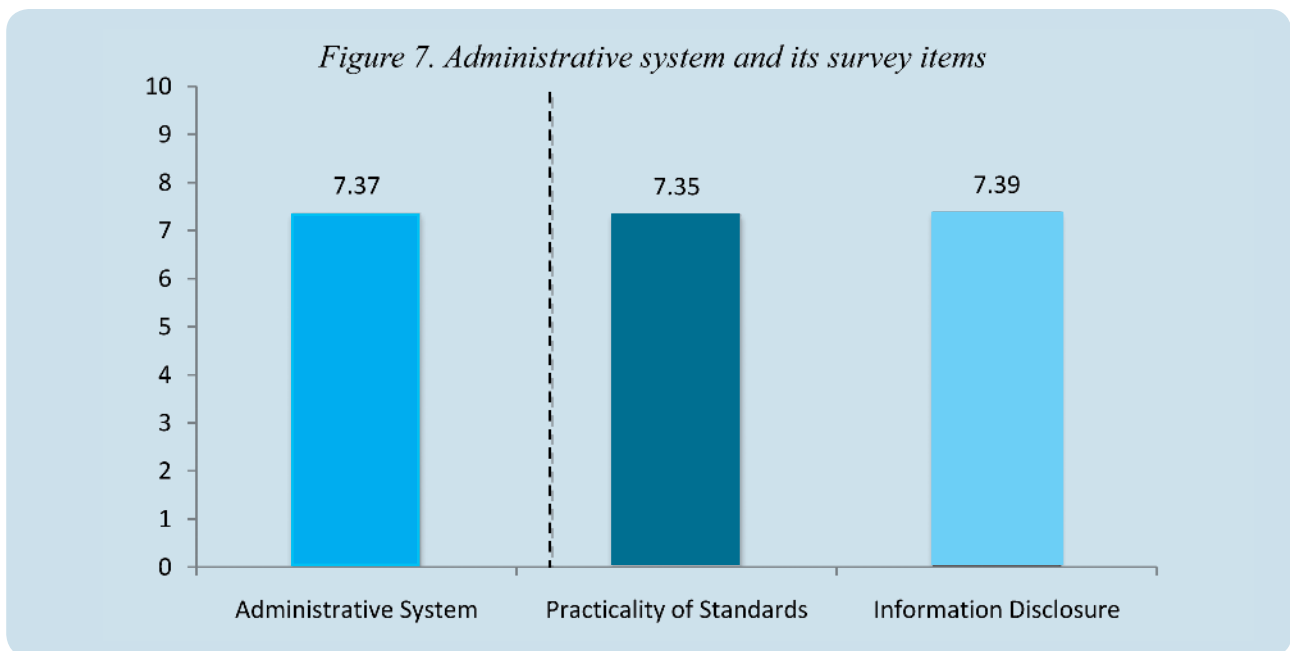
On the scale of 0-10, Administrative System managed a score of 7.37 indicating good level of administrative system.

The score of 7.35 and 7.39 for practicality of standards and information disclosure respectively indicate good ratings in terms of how practical our procedures and rules were and in terms of how publicly our information was disclosed or disseminated. There is, however, room for further improvement.

4.3.5 Personal attitude:

Personal Attitude was comprised of "Fairness in the performance of duties" and "Expectation of bribe or entertainment during the process of service delivery".
The following figure illustrates the condition of the attitude of the officials as recognized by the respondents on the scale of 0-10.

After calculating the item scores, "Personal Attitude" scored a total of 6.88 on the scale of 0-10.

Figure 8. Personal Attitude and its Survey Items
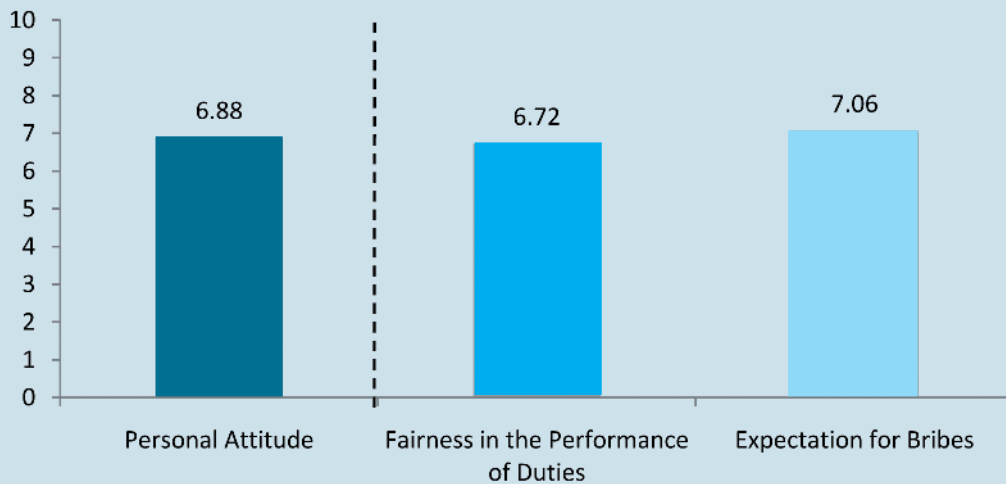
When compared with others, "Personal Attitude" has been regarded as another factor contributing to lower levels of score for potential integrity indicating more potential for corruption in the future. As much as the officials expect bribes, there also seem to have some degree of unfairness in the conduct of the officials.

4.3.6 Corruption control measures:

Corruption control measures refer to the level of measures already in place to curb corruption in an organization. It is composed of the efforts put in by an organization in terms of countering corruption and the level of easiness in terms of raising objections.
The following figure illustrates the condition of the corruption control measure as recognized by the respondents on the scale of 0-10.

Figure 9. Corruption Control and its Survey Items
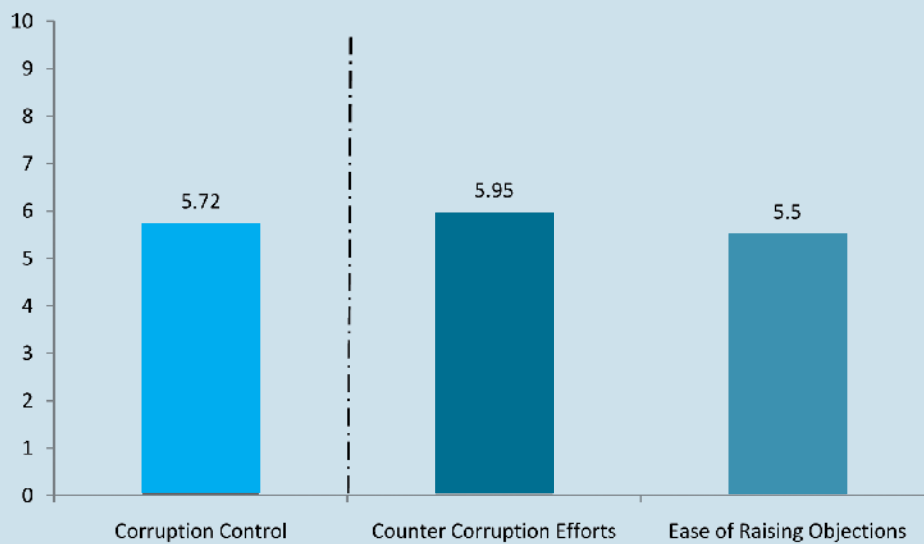
After calculating the item scores, "Corruption Control Measures" scored a total of 5.72 on the scale of 0-10 indicating bad level of measures and accordingly increasing the potential for corruption in the future.

It is also one of the lowest contributing factors to 'Potential Integrity.'

4.3.7   Integrity scores of survey items

The following graph illustrates the list of survey items along with the score obtained after averaging the scores. While "Need for additional contacts" to get the service delivered and "Ease of raising objection" scored the lowest, "Incidence of Bribery" and "Amount of Bribery" scored the highest indicating that most of the respondents did not partake in giving bribes during the course of service delivery in 2008.

Figure 10. Overview of Survey Items and its Scores

4.3.8 Integrity scores

The overall integrity score in a tabular format is presented in Table 1.

Table 1

Factors and Criteria	Integrity
Overall Integrity	7.44
Perceived Integrity	8.60
Experienced Corruption	**9.89**
Frequency of gratuities/entertainment offers	9.84
Amount of gratuities/entertainment	9.98
Perceived Corruption	**7.28**
Potential Integrity	6.60
Working Environment	**6.41**
Common practices of offering gratuities / entertainment	7.47
Necessity for additional contacts	5.50
Administrative System	**7.37**
Practicality of standards and procedures	7.35
Degree of information disclosure	7.39
Personal Attitude	**6.88**
Fairness in the performance of duties	6.72
Expectation for gratuities/entertainment	7.06
Corruption Control	**5.72**
Level of anti-corruption efforts	5.95
Ease of filing complaints	5.50

4.3.9 Experience of corruption

Experience of corruption covers only bribery including entertainment or gratification. This is the only form of corruption that a client can be certain about with reference to the service he/she is availing. Furthermore, bribery and entertainment have been combined since entertainment or any form of gratification is construed as an indirect form of bribery especially, in a situation of conflict of interest.

In 2008, 2 out of every 100 service users said that they offered bribes, gifts or some sort of entertainment to influence public officials while performing their official duties. The following table shows the average amount of bribes offered and the frequency of bribery during the period 2008.

Table 2

Year	Average Amount of Bribes Offered	Average Frequency of Bribery
2008	**5,042.75**	**2.06**

While the average amount of bribe was calculated as Nu. 5,042.75, it was found to be ranging from Nu.5/- to Nu.300,000. In terms of the average frequency of bribes, it was found that each bribe-payer paid at least twice during the year 2008.

When it came to the question of when they actually paid bribes during the process of service delivery, 36.25 percent of the respondents from the 2 percent who paid bribes indicated that they offered bribes to public officials during the 'beginning phase of the work or service'; almost 20 percent said they paid bribes 'when the work was progressing'; 27.50 percent indicated that they paid bribes only 'after completion of work or service' and the remaining 16.25 percent indicated that bribes and gifts are paid during all phases of the process.

4.3.10   Reasons for offering bribes or entertainment[1]:

Since bribes, entertainment or any other gratifications can be offered for various reasons, the study attempted to find out why the respondents offered bribes, entertainments and other gratifications. While staggering 56.25 percent of the respondents said that they offered bribes to express their gratitude to officials for doing what they are supposed to do, another 45 percent of them indicated that they offered bribes to maintain future relationship. From the table below, it is perceived that the act of bribery had been generally triggered from the supply side of the market force and that there was very little demand for bribery from the side of service providers (2.5%).

The following table illustrates reasons for offering bribes.

Table 3

Reasons for offering bribes or entertainment stated by service users who offered bribes or entertainment	Service users who offered bribes or entertainment (%)
The Officials or employees solicited or demanded bribes	2.5
To facilitate or speed up the processing of the service.	27.5
Wanted to mitigate or avoid punishment for violating laws and regulations	1.25
Wanted to express my gratitude for the service received.	56.25
To facilitate ease of future service delivery.	45
To avoid unnecessary harassment	15
Others [1]	10

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[1]   *Others refer to all those reasons that are not listed in table 3*

4.3.11 Occupation and integrity score:

Table 4, indicates the occupational group of the respondents along with the integrity score. Corroborating with the reasons stated by the respondents, especially with respect to maintaining future relationship, farmers contributed the highest with the total score of 7.527 to the overall integrity. Business people, who are considered as one of the major service recipients also contributed 7.077 to the overall integrity. It clearly showed that farmers and business people, who have to rely on agencies on all-time basis for their services, have rated the services better.

One could deduce a direct relationship between dependencies and score: Higher the dependency, higher the integrity scores and vice versa. Table 4 shows the score as provided by various occupational groups.

Table 4

Occupation	Integrity Score
Civil Servant	5.719
Corporate employee	4.361
Business person	7.077
Armed force personnel	4.923
Private employee	6.777
Monk/Nun/Gomchen	5.041
Farmer	7.527
Laborer	5.382
Student	6.030
Housewife	5.472
Others	5.633

4.3.12 Integrity by category of organization

Although comparison between organizations and acknowledging the best is one way of prompting reforms through instilling desire for excellence, it cannot be done so in this survey because of the fact that number of services varied from one organization to another. Therefore, the organizations were categorized into Ministries, Autonomous Bodies, Dzongkhags, Gewogs and General Procurement Services[2].

From among the above-mentioned categories, Gewog topped the integrity ranking with a total integrity score of 7.56, followed by Dzongkhag and Ministries. The General Procurement Services with a total integrity score of 6.66 ranked the lowest.

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[2]   *Although each agency has their own procurement division and the services provided by each of them differ from one another, all procurement services are clubbed together for the purpose of this study and findings should reflect the general situation of procurement divisions in the country.*

Table 5 below presents the over-all picture of integrity along with the score in each field and sub-field at the level of organization by its category.

Table 5

Criteria \ Category	Ministries (8)	Autonomous body(5)	Dzongkhags (6)	Geogs (20)	General procurement
Level of integrity	7.34	7.19	7.40	7.56	6.66
Rate of bribery	9.89	9.85	9.78	9.81	9.78
Perceived corruption	7.03	6.76	7.45	7.60	5.44
Common practices of offering gratuities/ entertainment	7.39	6.69	7.63	7.63	6.23
Need for contacts	5.27	4.94	5.77	5.73	4.67
Practicality of standards	7.23	6.98	7.05	7.62	6.19
Information disclosure	7.29	6.93	7.10	7.62	6.42
Fairness in performance	6.65	6.46	6.58	6.88	5.99
Expectations for gratuities	6.98	6.71	7.13	7.20	5.75
Anti-corruption efforts	5.84	6.29	5.93	5.99	6.27
Ease of complaining	5.58	6.11	5.00	5.11	6.67
Amount of bribes	9.98	9.90	9.88	9.97	9.39

The following figure no. 11 is the graphical representation of Table 5 and it illustrates the rankings of all fields and sub-fields based on the category of organizations.

Figure 11. Comparison Graph
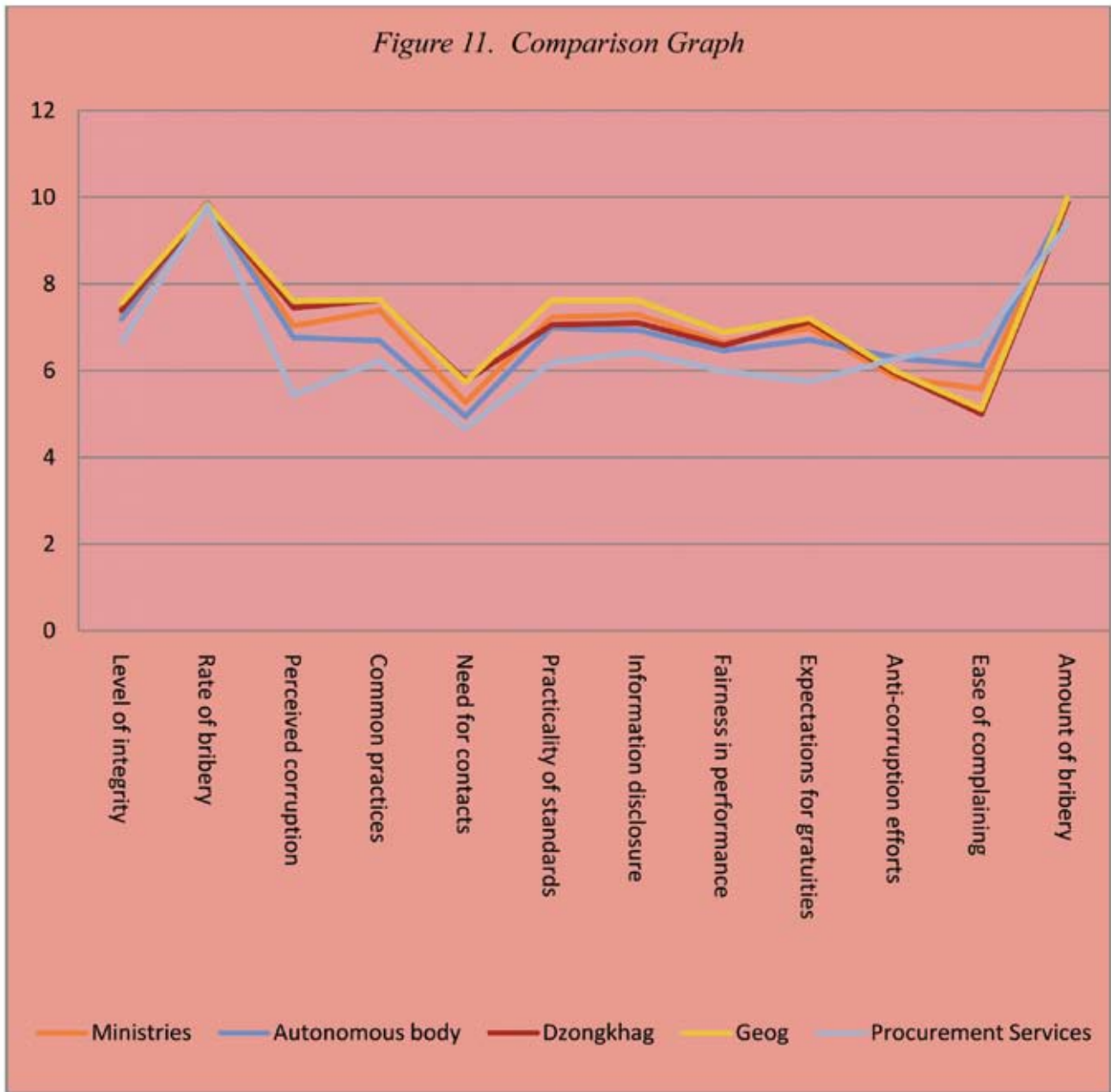
As apparent from the graph above, in almost all the fields and sub-fields, general procurement services features the lowest, indicating poor transparency.

Amongst the category of 5 public organizations, as evident from the graph, the line representing Gewog fly higher in almost all fields excepting the sub-field of 'ease of raising objection'. It indicates that, while there was very good degree of transparency in other fields compared to others, there do not seem to have proper grievance redressal mechanism in the Geogs.

4.3.12 Integrity by category of services

The following graph illustrates the level of integrity by services.

Integrity Comparasion of services

Service	Integrity
Construction works	6.93
Hiring of consultants	6.46
Ticketing	5.70
Catering	7.28
Supply of goods	6.79
Extension services	7.54
Supply of livestock inputs	7.58
Timber permit and marking of trees	7.58
Distribution of power-tillers (farm machineries)	7.53
Land Transaction	7.19
Life Insurance Claims	7.81
Ticketing (DrukAir)	6.31
Rural House Insurance	7.63
Motor Insurance claims	6.61
Housing allotment	6.72
Environmental Clearance	8.56
Land transfer and registration	6.69
Pre-Primary Admission	7.42
Tax Assessment	6.75
Customs clearance	6.62
Labour permit and Labour inspection	7.40
Outpatient services (Dzongkhag)	7.63
Outpatient services (JDWNRH)	6.80
Referral of patients outside Bhutan	6.84
Approval of mining lease	7.30
Issue of Import License	6.66
Issue of license for cable TV operators	7.37
Registration of New Vehicles	7.01
Driver's License	6.33
Allotment of govt quarters	7.16
Contractors registration and up-gradation	6.94
Building approval (Paro CC)	7.42
Site plan approval (PCC)	7.05
Land transaction (PCC)	6.92
Site plan approval (TCC)	6.63
Land transaction (TCC)	6.97
Building approval (TCC)	5.94
Auctioning of farm produce	7.84
Supply of fertilisers	8.01
Issue of Forest Clearance for non-plantation activities	7.73
Issue of Plant/Animal Export Permit	7.39
Issue of Plant/Animal Import License	7.51

Integrity

While issuance of the 'environmental clearance' by the National Environment Commission obtained highest score of 8.56 on the scale of 0-10 indicating very good level of integrity, procurement service of all the agencies in the area of ticketing managed 5.70 score indicating only average level of integrity. It is followed by service of building approval in the Thimphu City Corporation and ticketing service of the Druk Air Corporation.

5. CHALLENGES AND LIMITATIONS

Some of the major challenges faced during the course of the survey are discussed below:

5.1 Lack of information: Many public organizations do not have a proper system of keeping any record of their clients. Even in cases of those organizations that maintained some random records, there were problems in terms of their completeness. For example, the addresses and the phone numbers were either not available or totally obsolete. There were also incidences of mismatch in the list of clients provided by an organization with that of the reality in the villages.

Since the integrity survey has all to do with actual clients who have availed services from an organization, locating and running after the clients was one of the major challenges faced during the survey. As a result, survey period had to be extended by a week or so, incurring additional cost.

5.2 People's reluctance to speak–up: Although some degree of reservation was anticipated especially because of the sensitive nature of the survey, respondents in general were found to be cautious in answering certain questions. For instance, on the issue of whether they offered bribes, they did not speak out their mind for fear of repercussions in future. The findings on the reason as to why they offered bribes further substantiated that fact that the respondents did not speak out their minds, when majority of them wanted to keep alive the relationship existing between them and that availing services in future would be hampered if they spoke truth against public officials.

As a result, there were only 2 percent of the respondents who said that they offered bribes to public officials to get their work done. While it indicated that bribery was not an issue when it comes to the forms of corruption, it does not corroborate with the findings of the Corruption Perception Survey 2007, although the latter is based on perception and the former on experience.

5.3 Wrong timing: Survey was conducted in June and July and it coincided with paddy cultivation and the rainy season. Road blocks and farmers' business in the field impeded smooth enumeration. The low level of response rate can well be attributed to wrong timing of the survey.

5.4 Low level of sensitization: Although enumerators were thoroughly briefed on the need to make proper explanation to all interviewees to get honest answers, their effort to explain

about the benefit on future service delivery if they answered the questions honestly did not seem to have paid off well as many refused to respond to certain questions.

If there was any discrepancy between the findings and the reality on bribery, it can be attributed to fairly low level of sensitization and education of the general public, particularly, the respondents on the cost and benefit of such surveys.

5.5 Limitation: One limitation that stands out clearly is in the selection of unequal numbers of services in all target organizations. For example, Ministry of Education is composed of only one service, but the Ministry of Works and Human Settlements has 9 services. Therefore, the integrity score of the Ministry of Education was the result of that particular service whereas, the integrity score of the Ministry of Works and Human Settlements was composed of the score of 9 services. Therefore, comparison of integrity scores of the organizations would be unjustifiable. However, in future, emphasis will be made to compare integrity scores between organizations to induce competency.

Another limitation is on the question of 'experienced corruption'. When the survey mentions about experienced corruption, it was only limited to bribery even though there are many forms of corruption existing in the system.

Integrity Assessment tool itself also has limitations, in the sense; it is generally based on the conduct of the service providers that only include mid-level and front-desk staff thereby excluding the executives. However, it can well be argued that the conduct of the mid-level staff and front desk staff is the reflection of the kind of leadership in a particular organization.

6. CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion: The Integrity Assessment Report, the first of its kind in Bhutan, presents policy makers and heads of public organizations with a unique opportunity to reflect on the state of integrity, as indicated by their clients. It should also provide the Anti-Corruption Commission with the information, both in terms of focus and benchmarking, to better plan and implement corruption prevention measures.

The findings of the Integrity Assessment shows that integrity level of the country in general is fairly good with the total integrity score of 7.44 on the scale of 0-10, *where 0 means highly corrupt and 10 means highly transparent*. However, with the challenge of people's reluctance to speak the truth especially with regard to bribery, the score of "*Perceived Integrity*", may not belong to the realm of reality.

Although only a small fraction of the respondents actually experienced corruption, many do not have confidence in the '*working environment*', '*administrative system*', '*personal attitude*' and '*corruption control measures*' in the system, as revealed by the "*Potential Integrity*" score

of 6.61. Therefore, to further improve the integrity level of the country, the potential aspect of the integrity i.e. working environment; administrative system; personal attitude need to be changed. There is also a need to initiate corruption control measures in all the agencies including grievance redressal mechanism.

6.2 Recommendation: In order for the Integrity Survey to be effective and more efficient in future, the report offers the following recommendations:

- *Advancement of integrity assessment tool*: The limitations of the tool should be minimized and further strengthened with assistance from the ACRC to exploit its full potential;

- *Choices of organizations and services:* As many organizations and services as possible that have larger economic and social impact, which are prone to corruption, should be selected. Additional services from each organization should also be selected to avoid inconsistency in deriving integrity score of organizations;

- *Information management:* All public organizations should maintain proper records of their clients;

- *More sensitization of general public*: In order to engage people effectively in such important activities with greater confidence and candidness, more effort should be made in sensitizing them on the objectives and benefits of such activities; and

- *Better Timing:* Next survey should avoid monsoons and farming seasons.

7.   REFERENCES

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Confidential

Annex II: Integrity Survey 2009 Questionnaire
Royal Government of Bhutan
National Statistics Bureau

INTEGRITY SURVEY 2009

Dzongkhag:

Gewog/Town:

Public Sector Organization:

Area of Public Service:

Service User Serial Number:

Enumerator's name:

Signature:.............................. **Date:** ☐☐ / ☐☐ / 2009

Supervisor's name:

Signature:............................... **Date:** ☐☐ / ☐☐ / 2009

Please answer the following questions based on what you have experienced for the past one year with regard to processing of the service mentioned above. Please, be very frank with your answers as this will only help you gain access to better services

ADMINISTRATIVE SYSTEM

Q1.   While applying for the service mentioned above, the administrative procedures were practicable.
1.   Very strongly agree
2.   Strongly agree
3.   Agree
4.   Neither agree nor disagree
5.   Disagree
6.   Strongly disagree
7.   Very Strongly disagree

Q2.   While availing the service, the administrative procedures were explained sufficiently.
1.   Very strongly agree
2.   Strongly agree
3.   Agree
4.   Neither agree nor disagree
5.   Disagree
6.   Strongly disagree
7.   Very Strongly disagree

WORKING ENVIRONMENT OF THE SERVICE PROVIDERS

Q3.   Officials or employees involved in processing of the service have frequently received bribes or entertainment from clients for the past one year.
1.   Very strongly agree
2.   Strongly agree
3.   Agree
4.   Neither agree nor disagree
5.   Disagree
6.   Strongly disagree
7.   Very Strongly disagree

Q4.   Unofficial meetings and personal influence were often necessary to get the service delivered.
1.   Very strongly agree
2.   Strongly agree
3.   Agree
4.   Neither agree nor disagree
5.   Disagree
6.   Strongly disagree
7.   Very Strongly disagree

PUBLIC OFFICIAL'S BEHAVIOUR AND ATTITUDES

Q5.   The officials or employees discharged their duties in a fair and impartial manner.
1.   Very strongly agree

2. Strongly agree
3. Agree
4. Neither agree nor disagree
5. Disagree
6. Strongly disagree
7. Very Strongly disagree

Q6. Officials or employees were expecting bribes or entertainment while processing for the service.
1. Very strongly agree
2. Strongly agree
3. Agree
4. Neither agree nor disagree
5. Disagree
6. Strongly disagree
7. Very Strongly disagree

PERCEPTION OF CORRUPT PRACTICES

Q7. Given the experiences with the public officials or employees over the past one year, do you agree that they actually take bribes or entertainment? (Restrict your answer to the organization concerned to the service mentioned above)
1. Very strongly agree
2. Strongly agree
3. Agree
4. Neither agree nor disagree
5. Disagree
6. Strongly disagree
7. Very Strongly disagree

CONTROL OF CORRUPTION

Q8. This organization has made effort to prevent corruption in the past one year.
1. Very strongly agree
2. Strongly agree
3. Agree
4. Neither agree nor disagree
5. Disagree
6. Strongly disagree
7. Very Strongly disagree

Q9. Have you filed any complaints over the way the public sector organization processed the service?
1. Yes
2. No (>>Q10)
3. No answer (>>Q10)

Q9.1 In the past one year it was easy to file such complaints.
    1.   Very strongly agree
    2.   Strongly agree
    3.   Agree
    4.   Neither agree nor disagree
    5.   Disagree
    6.   Strongly disagree
    7.   Very Strongly disagree

PERSONAL EXPERIENCES OF CORRUPTION

Q10. Have you ever offered bribes or entertainment to the officials or employees while availing this service?
    1.   Yes
    2.   No (>>Q11)
    3.   No answer (>>Q11)

Q10.1 When did you offer bribes or entertainment?
    1.   Beginning of work or service
    2.   When work was progressing
    3.   After completion of work or service
    4.   All of the above

Q10.2 How many times have you offered bribes or entertainment for the past one year?
    1.   Once
    2.   Twice
    3.   Thrice
    4.   Four
    5.   Five
    6.   If more than five specify the number of times……………….

10.3. How much have you offered as bribes over the past one year?
Specify total amount paid: Nu………………………..

10.4 Why did you offer bribes or entertainment?
(*Please tick on any of the following reasons. Multiple answers accepted*)
    1.   The Officials or employees solicited or demanded bribes
    2.   To facilitate or speed up the processing of the service
    3.   Wanted to mitigate or avoid punishment for violating laws and regulations
    4.   Wanted to express my gratitude for the service received.
    5.   To facilitate ease of future service delivery.
    6.   To avoid unnecessary harassment
    7.   Other (Specify)…………………………………………………………….

Q11. How many times have you offered any gratuities other than bribes or entertainment to the officials or employee?
(*E.g. holiday tickets, favors related to employment or granting of concessions etc…*)
    1.   Once

2. Twice
3. Thrice
4. Four
5. Five
6. If more than five specify the number of times…………
7. Not applicable

Q12. How often have you contacted the officials or employees during the last 12 months to get the service processed?
1. Once
2. Twice
3. Thrice
4. Four
5. Five
6. If more than five specify the number of times………………

PERSONAL INFORMATION OF THE INTERVIEWEE

Q13. What is your main Occupation?
1. Parliamentarian
2. Civil Servant
3. Corporate employee
4. Business
5. Armed force personal
6. Private employee
7. Monk/Nun/Gomchen
8. Farmer
9. Laborer
10. Student
11. Housewife
12. Others (specify)………

Thank you for your participation in this survey.

Annexure 2. (List of agencies and the services included in the survey.

Organizations	Departments	Services
Ministry of Agriculture	BAFRA	Issue of plant/animal import license Issue of plant/animal export permit
	Department of Forest	Issue of forest clearance for non-plantation activities
	Druk Seed Corporation	Supply of fertilizers
	Food Corporation of Bhutan	Auctioning of farm produce
Ministry of Works and Human Settlement	Thimphu City Corporation	Building approval Land transaction Site plan approval
	Phuentsholing City Corporation	Building approval Land transaction Site plan approval
	Paro City Corporation	Building approval
	Construction Development Board	Contractors registration and up-gradation
	NHDC	Allotment of govt quarters
Ministry of Information and Communication	RSTA	Driver's license Registration of new vehicles
	BICMA	Issue of license for cable TV operators
Ministry of Economic Affairs	Department of Trade	Issue of import license
	Dept. of Geology and Mines	Approval of mining lease
Ministry of Health	Department of Public Health	Referral of patients outside Bhutan
	JDWNRH	Outpatient services
	Dzongkhag Hospitals	Outpatient services
Ministry of Home & Cultural Affairs	Dept. of Immigration	Labour permit and labour inspection
Ministry of Finance	Dept. of Revenue and Customs	Customs clearance
		Tax assessment
Ministry of Education	Dept. of Education	Pre-Primary admission

1. Autonomous Agencies:

Organizations	Services
National Land Commission	1. Land transfer and registration
National Environment Commission	1. Environmental clearance
National Pension and Provident Fund	1. Housing allotment

2. Corporations:

Organizations	Services
Royal Insurance Corporation of Bhutan	1. Motor insurance claims 2. Rural house insurance
Druk Air Corporation	1. Ticketing

3. Procurement:

Organizations	Services
Procurement	1. Supply of goods 2. Catering 3. Ticketing 4. Hiring of consultants 5. Construction works

4. Local Government:

Organizations	Services
Dzongkhags (6)	1. Life insurance claims 2. Land transaction 3. Distribution of power-tillers (farm machineries)
Geogs (20)	1. Timber permit and marking of trees 2. Supply of livestock inputs 3. Extension services

The public organizations were selected based on the criteria set by ACRC. A total of 27 organizations which includes departments of ministries were selected for the study. These organizations are from 8 ministries, 3 autonomous agencies, 2 corporations, district and sub-district. For the services provided by the districts, six sample districts were chosen while for

the sub-district study 20 sub-districts were selected from a total of 20 in the country. These sub-districts were selected from within the selected districts. A total of 43 services were selected for the assessment.

1. 8 Ministries: 26 services
2. 3 Autonomous Agencies: 3 services
3. 2 Corporations: 3 services
4. Dzongkhag (6): 3 services each
5. Geogs (20): 3 services each
6. Procurement: 5 services