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# Best Educational Practice for a Sustained Fight Against Corruption

Speech by Michael  
Pedersen for Peru's  
2012 Anti-Corruption  
Conference

Lima, Peru  
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Website: [www.minc.ch](http://www.minc.ch)  
Email: [changethegame@minc.ch](mailto:changethegame@minc.ch)



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Ladies and gentlemen,

Buenas tardes.

I feel honored to be speaking at Peru's 2012 anti-corruption conference and would like to applaud the organizers for bringing all of us together. I have very much looked forward to this opportunity to exchange perspective on the important challenges that Peru is facing in fighting corruption. I made sure to arrive early and leave late - partly to visit social projects that support children in further developing qualities of character, ethical values and leadership skills through sports, and partly to explore your amazing and beautiful country.

My name is Michael Pedersen. I am an internationally recognized expert and leader in good governance, transparency, ethics and integrity. I am a change agent, an integrity coach and a street volunteer.

Until the summer of 2011, I was the Head of the World Economic Forum's Partnering Against Corruption Initiative, an international good governance partnership with over 175 multinational companies and their CEOs. Among other experiences, I was also Senior Advisor on Business Integrity with Novozymes, the world's largest manufacturer of enzymes.

As of November 2011, I spent 6 months doing volunteer work with street children in Medellin, Colombia. Besides of getting a lot of useful perspectives for my future personal and professional life, the experience in Colombia also enables me to share some observations and recommendations here today that are grounded in practices that I have seen work and not work on the streets of Medellin.



I recently founded my own company, M INC. The company is going to enable business and sport leaders, nationally and internationally, to turn good governance into a winning strategy for building trust, performance and growth into the future.

In my speech today, I would like to raise five questions and share with you my perspectives on those questions. I would welcome your perspectives on the questions too - in this session or on a one-on-one basis during the remainder of conference. My questions are as follows:

1. Do we all agree what corruption is and that all aspects of it are necessarily wrong?
2. Is corruption a problem in its own right, in education and beyond? - Shouldn't we rather be talking about the role of education in fighting corruption with teachers, principals, professors and presidents of universities and business schools rather than among anti-corruption professionals only?
3. What's the real problem? - Is it that children and young people don't already know what is right and wrong? - Or is it that they just don't have the right role models?
4. What's the real problem? - Is it that children and young people don't already know what is right and wrong? - Or is it that they are not incentivized to do what is right?
5. What could Peru look like if the next generation was to police itself?

I will remind you of my questions along the way by showing a few slides. The pictures on the slides, I took yesterday, as I went to visit social projects of Asociación Civil Pro Niño Intimo in Villa El Salvador here in Lima. As you might know, these projects engage underprivileged children in street football. I will come back to that a bit later on in my speech.



[SHOW THE FOLLOWING SLIDE]



As a start, I would like to address my first question: Do we all agree what corruption is and that all aspects of it are necessarily wrong?

Based on numerous discussions and speeches in various national and international contexts, with government, business and civil society leaders, over quite a few years, I always find it useful to start any new exchange of perspectives on fighting corruption by highlighting and recognizing that we cannot and should not take for granted that we all necessary share a common understanding of what constitutes corruption.

Some people consider corruption as bribery only. Others view corruption more broadly and associate it with any ethical wrongdoing, for instance cheating or fraud. I think neither of the two extremes on the spectrum of the corruption definition are helpful. A useful starting point for me is Transparency International's definition of corruption as being "the abuse of entrusted power for private gain". The abuse of entrusted power for private gain.

Along the same lines, another challenge in finding a common understanding of corruption is culture. What is corruption to you might be normal practice in my country or the other way around. For instance, in Korea, it is common practice to give cash gifts to business partners when they have a funeral or a wedding in their family. In China, it is common practice to exchange big gifts to appreciate a business relationship. In the USA, it is common practice to give financial contributions to political parties and political candidates to get access to policy makers. In Mexico, it is common practice to give small payments to expedite customs clearance. All those practices would be illegal and culturally unacceptable and viewed as corruption in my country of origin, Denmark. But does it mean that they are all necessarily wrong and do not serve a social purpose in some



countries? I am not so sure myself. Nevertheless, I am not saying that you are right and that I am wrong, or that I am right and that you are wrong. But, I cannot just accept to do things in Rome as the Romans without questioning practices that I am not comfortable with. Nor would I blindly impose my way of doing things everywhere without respect for local cultural traditions. The litmus test for me is always, if traditions are adhered to in a transparent way, if people are held accountable for their actions and if such actions leave a reasonable expectation of a favor in return.

[SHOW THE FOLLOWING SLIDE]

2. Is corruption a problem in its own right, in education and beyond? - Shouldn't we rather be talking about the role of education in fighting corruption with teachers, principals, professors and presidents of universities and business schools rather than among anti-corruption professionals only?



The second question that I would like to raise is if corruption is a problem in its own right, in education and beyond.

I have been to a lot of national and international meetings and conferences about corruption over recent years. Although such events are important in raising awareness, forging alliances and sharing good practices, they also tend to have to flaws.

First of all, such events tend to mainly bring together what I would call the converted. The ones, who already see the urgency and importance in fighting corruption. The ones, who see the damaging effects to society like corruption stifling economic growth, distorting markets, hampering democracy and undermining the rule of law. But also the ones, who struggle to find new and more effective solutions in the fight against corruption.

Secondly, such events tend to bring together mainly government players and not so much in civil society and business players. All three societal players are part of the corruption problem and its solution.





Thirdly, such events tend to frame the challenge of fighting corruption in a negative way. Corruption is a negative word to many that is often linked to legal liability risks. Many people simply do not feel comfortable about being associated with the term corruption and may even feel it threatening. Ethics or integrity are alternative positive terms. They are solution oriented and they tend to be viewed in a broader context around what is right rather than giving and receiving bribes only.

Fourthly, such events tend to address corruption as an issue in its own right. While that can be useful, there is an even bigger opportunity and that is positioning corruption as a process issue - as an important part of addressing any other important issue. No matter whether people care about public infrastructure, health, education, environment or any other issue, corruption is and ought to be considered a challenge that needs to be addressed as part of addressing the issue. A challenge of making sure that funds allocated to address the issue do reach the intended recipients, and that they are used in the most effective way.

What does all this mean as far as education is concerned? Well, beyond what we are doing here, and building on the insights from this session, I would encourage the following way forward. When you address education and corruption, please acknowledge that there is both a challenge of corruption in education and an opportunity in utilizing education as a solution to fighting corruption. Please discuss challenges and solutions with teachers, principals, professors, deans and presidents of universities and business schools as well as their unions. Please also engage children and young people as well as their parents. Please bring in future employers of young people too along with knowledgeable civil society organizations that manage social projects on the ground and that are generally more trusted more than any other societal players. And please avoid the term corruption and use a positive framing along the lines of further developing qualities of character, ethical values, integrity and leadership skills for performance and growth into the future.



[SHOW THE FOLLOWING SLIDE]



I would like to turn to my third question: What is the real problem? - Is it that children and young people don't already know what is right and wrong? - Or is it that they just don't have the right role models?

I am sure that those of you who have children or have worked with children will agree with me that children naturally display moral values. Now, if we assume that there is indeed a general behavioral pattern in children that causes them to naturally display moral values, what is it then that happens to them when they grow up? Well, according to Desmond Tuto, a South African social rights activist and retired Anglican bishop, the only thing that makes us human is that we are surrounded by human beings. At birth, we cannot do much on our own. We cannot even sustain our own lives. Everything we learn and do, we pick up from people around us. That also means that we adopt the values, norms, traditions and behaviors of people around us - family, friends, teachers, professors, colleagues, business partners and societal role models. If those people are good people, the likelihood of us becoming good too is high. If those people are bad people, the likelihood of us becoming bad too is also high.

I would like to share two personal anecdotes that give me hope.

Here is the first anecdote:

Three years ago, I was fortunate enough to have an informal conversation with some students in Bucharest, Romania in the context of a big anti-corruption event that I was co-hosting there to explore the potential of positive and negative incentives in the fight against corruption. What made the biggest impression on me was not so much all the high-level conversations with leaders of business, government and civil society. No, what





made the biggest impression on me was one of the students saying to me, with sadness in his eyes: “The ones who are still poor in our country are the ones who have not stolen anything!” The ones who are still poor in our country are the ones who have not stolen anything!

Here is the second anecdote:

From November last year until April this year, six months in total, I did volunteer work with street children in Medellin, Colombia. I supported the local staff at two day care centers, managed and funded by a charity called Fundación Poder Joven, in some of the most socially challenging and violent neighborhoods of Medellin. The children come to these day care centers to be kept away from criminal activities on the streets, when they are not at school, and to get a decent meal once a day. Although my role was mainly to teach English, for many of the children I ended up becoming the dad that many of them never have had and so much long for. I learned a lot from the children. Probably much more than they learned from me.

One of the children, whom I developed a particularly strong bond with, was a 12 year old boy named Jefferson. Jefferson lives in an illegal settlement called Brisas del Jardín, which is part of the Manrique neighborhood in the hills of Medellin. Brisas del Jardín is known to have armed gang wars and many other social issues. Many of the people living there are displaced people, who have had to run away from armed conflict in the areas where they used to live in the Colombian countryside. Most families are comprised of a young mom only with typically 4-8 children. She often got her first child at around the age of 18, if not before. And the dad normally abandoned the family, when the children were small.

Now, children have this amazing ability to focus on having fun, even in a challenging environment like the one in Brisas del Jardín, despite of having to face issues such as drinking, abuse and prostitution caused by adults around them. Jefferson is no exception. He is a well-behaved, kind boy, who enjoys football and singing and dancing to reggaeton music. He has an amazing appetite for learning English, and he has his heart at the right place. When he grows up, Jefferson’s dream is to become a policeman. Because in his eyes, policemen help people and catch the bad guys. Policemen help people and catch the bad guys.

Despite of all the hope and optimism that the two anecdotes give me in terms of childrens’ ability and willingness to jump the ladder of social inheritance, to fight the influence of bad people around them and to change things to the better in the future, I do believe that education can play a very important role in the fight against corruption.



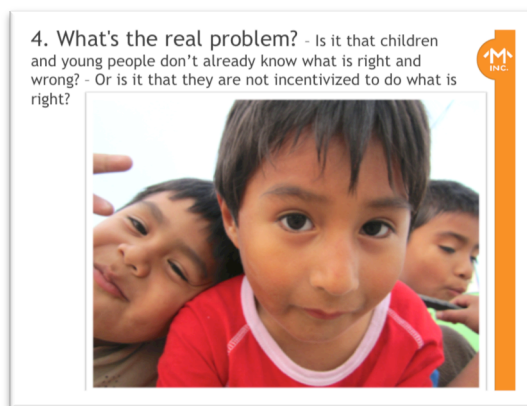


As I said earlier on, I genuinely believe that children know well what is right and wrong. Maybe we are actually the ones in need of teaching from them around that!

There are two useful aspects to develop solutions around, as far as education and corruption is concerned. One aspect is to address corruption in education. How public funds are allocated and spent - and transparency and accountability measures around that. How children and young people are admitted to prestigious schools. How grades are given. How teachers are admitted to teachers' schools and how they are hired at prestigious schools. How people are appointed to leading positions in education.

The other aspect to address is how and to what extend ethics are taught to everyone throughout the educational system. Not so much the ability to distinguish between right and wrong. That children and young people generally know already. More the ability to see, understand and address ethical dilemmas - to say no and to blow the whistle, if needed. While acknowledging the importance of acquiring specific skills to do specific jobs well after having gone through the educational system, it is equally important that children and young people are given the skills to critically analyze, reflect and engage and to take responsibility for actions and behaviors from an ethical point of view. Also, it is equally important to be working with the parents of the children. If there is no support, understanding or appreciation at home, any educational efforts will have limited effect, despite of good intentions.

[SHOW THE FOLLOWING SLIDE]



The fourth question I would like to raise is: What is the real problem? - Is it that children and young people don't already know what is right and wrong? - Or is it that they are not incentivized to do what is right?



I hope that you will all appreciate by now that I strongly believe that children and young people already know what is right and wrong. What is left in this question is for me to share is my perspectives on to what extend I believe that children and young people are incentivized to do what is right. Or, if you like, to what extend children and young people are motivated to always do what they know would be the right thing to do.

Let me start by sharing a case to illustrate that all it takes to change our behavior as human beings is one USD. In many countries it is common that trolleys are made available for people doing grocery shopping at a supermarket. The interesting aspect about it in terms of our behavior, though, is whether we have to deposit a relatively small amount of money like one USD to use the trolley or not. If we do not have to deposit anything to get the trolley, many of us, even the ones claiming to be ethical, would not bother returning the trolley, but simply leave it at a place of our convenience like at the car parking right next to our car. If, on the other hand, we have to deposit a relatively small amount of money like one USD, many of us, even the ones often displaying unethical behavior, would gladly spend 10-15 minutes to return the trolley to a designated area to get the money back. So, that is what it takes to change our behavior as human beings. One USD!

Accordingly, no matter whether we like it or not, we ought to acknowledge that part of effectively fighting corruption is devising smart incentives to motivate people to actually do what they know is the right thing to do. Leaders are motivated by rewards - or by carrots, if you like. Laggards are motivated by the risk getting caught and the punishment for getting caught - or by sticks, if you like.

It all starts by incentivizing children and young people at school, high school and university. And it all ends by incentivizing the wider general public. Beyond what you are already doing in Peru, I would encourage you to look closely at what kind of new incentives you could introduce throughout the educational system and beyond - carrots as well as sticks. And when you have the right incentives in place, look at how you can best prevent and address corruption by teaching children and young people about how to say no to unethical behavior and how to address ethical dilemmas and wrongdoings.

Although there is no such thing as one-size-fits-all, there is already a lot of inspiration out there. Often there is no need to re-invent the wheel, but rather an opportunity to build on and fine-tune what others have proven to work already. Consider this. In Korea, there is a financial reward provided by the government to whistle-blowers. It is calculated as a percentage of the amount that the government saved due to corruption being uncovered. In India, they make use of new technology to have citizens report bribes paid on a website called [www.ipaidabribe.com](http://www.ipaidabribe.com). And they have a state governor, who allows everyone to watch what is going on his office real-time through a webcam feature online. Measures proven to work around changing behavior do not have to be boring. On the



contrary, they can be fun too. Not that it is specifically related to corruption, an interesting case in terms of inspiration is looking at how a recent mayor of Bogota, Colombia put a substantial number of actors on the streets of Bogota, dressed as clowns and tasked to remind the citizens in a fun way how to abide by the traffic rules. Apparently, the street clowns did indeed change people's behavior while making them smile.

I cannot help but share a few very practical suggestions on what could be done around education and corruption in Peru. As a start, what would speak against having all children in school and young people in high school and at university sign a Hippocratic Oath, outlining the ethical principles that they are to abide by while at school, high school and university? And what would speak against having their teachers and professors do the same? Short is more. I am very inspired by the ethical code that cadets have to abide by at the West Point Academy in the USA, where they develop future leaders of the US Army. The ethical code at West Point basically reads: "Cadets do not steal, cheat or lie. And they do not tolerate those who do." Cadets do not steal, cheat or lie. And they do not tolerate those who do!

Another concrete suggestion would be to create national competitions with substantial prizes or awards. Ask children and young people to describe a case of corruption that they have been subject to or have heard about and ask them to provide an idea about a solution to overcome the problem in the future. Reward and showcase the best ideas. Implement some of them.

[SHOW THE FOLLOWING SLIDE]



The fifth and last question that I would like to raise is: What could Peru look like if the next generation was to police itself?



I am a great believer in the power of sport in addressing social issues, especially as far as children and young people are concerned. As I was doing volunteer work with street children in Medellin, Colombia, I was introduced to a concept called street football. It has been developed by the organization Streetfootballworld and has become quite widespread throughout the world by now.

The main idea behind street football is keeping children and young people away from criminal activities on the streets of socially challenging environments by engaging them in sports like football, table tennis, badminton and dancing, while teaching them further qualities of character, ethical values and leadership skills for them to become empowered to show leadership in their local communities.

The rules of street football are simple but powerful. For instance, there is no such thing as a referee. The children need to find ways of self-policing. At the beginning of each match, the children sign a fair play contract, outlining the core values of the game. After each game, they vote on whom of the players played in the fairest way. If there were faults in the game, the offender has to apologize and shake hands with the ones impacted by the fault. Also, for the first goal of each of the two teams playing against each other in any given football match to be valid, it has to be scored by a girl.

As I mentioned to you at the beginning of my speech, and as I have been showing you through the pictures on my slides, I spent the day yesterday visiting social projects of Asociación Civil Pro Niño Intimo. At its three Deporte y Vida Schools in Villa El Salvador in Lima, the organization uses sport to promote education and to develop young people's sense of citizenship and community. Since 2005, Asociación Civil Pro Niño Intimo has been developing its street football programme to cultivate values such as leadership and solidarity in young people. Through this programme, and with the help of a mediator, girls and boys learn to compromise, to define rules and to respect them.

Imagine! Imagine what other sports could be like without a referee. Imagine what professional sports could look like without a referee. It is actually already working in some sports such as ultimate, also known as frisbee, where teams even compete professionally without referees. But even more importantly, imagine what Peru could look like, if the next generation was to introduce an ethics based society with no need for referees for people to do what they know to be right.

When you have a moment after this conference, please visit the home page of streetfootballworld. Please visit the home page of Colombianitos, the Colombian street football organization that I know and support because of my recent volunteer experience in Colombia. Please visit the home page of Asociación Civil Pro Niño Intimo, the Peruvian



street football organization that I went to visit yesterday and that I have hopefully created sympathy around through my speech and the pictures on my slides today. These organizations do amazing work and need all your support and encouragement to further scale and replicate what they are doing for children and young people to create a better Peru and a better world.

Those were the five questions that I wanted to raise with you in my speech today.

Fighting corruption starts with the right tone and action at the top, transparently and consistently. With his bold anti-corruption actions shortly after taking office, it seems to me from the outside that President Humala of Peru has shown through action that he is committed to change. Build on that, engage him, support him, hold him accountable and continue to show boldness and courage and optimism in the fight against corruption in Peru.

Thank you very much for listening to my perspectives. I hope you found useful inspiration and wish you only the very best in your future work.

Muchas gracias y hasta pronto!

