ETHICS AND ANTI-CORRUPTION COMMISSION

THE ETHICAL ECONOMIST - WHY INTEGRITY IS NON-NEGOTIABLE: A Presentation at the Inaugural ESK National Webinar on Professional Ethics and Code of Conduct for Economists

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Focus of the Presentation

- Introduction
- Why is Integrity non-negotiable? Why Economists must embrace, practice and live professional ethics?
- What are the exiting International Cases on professional ethics for Economists and Lessons for Kenya?
- What is Kenya's situation? What is the existing policy, legal and regulatory framework for ethics and integrity in the country?
- What can/should/must ESK do to build a reputable professional association? What opportunities exist and what challenges must be addressed in embedding ethical standards within the profession?
- What should a Code of Conduct and Ethics for Economists in Kenya look like?
- What areas of partnership can be explored between ESK and EACC to promote and enforce the standards?

1. Introduction:
Why Integrity Matters

1.1 Why Integrity matters

- **Integrity** is the consistent adherence to ethical standards, honesty, accountability, and professionalism in conduct and decision-making
- **The ethical economist** is not one who merely avoids corruption, s/he is one who practices with humility, transparency, and an unwavering commitment to the public good
- **Economists wield extraordinary influence** over public policy, resource allocation, and institutional design:
  - Serve as policy advisors in government ministries
  - Researchers in academic institutions
  - Analysts in central banks and financial institutions
  - Consultants in the private sector and civil society

Why Integrity matters cont'd

- **When integrity is upheld:**
  - Institutions enforce the rule of law
  - Public resources are safeguarded
  - An enabling environment for inclusive growth is created
- **When corruption and unethical practices thrive unabated:**
  - *Distorts market forces* - breaks fair competition, inflate prices, and misallocates resources - replaces the natural balance of supply and demand with unfair advantages and hidden costs
  - *Increases the cost of doing business* - introduces direct financial drains, operational inefficiencies, and market uncertainties primarily driven by bribes and kickbacks, regulatory friction, and degraded infrastructure.
  - *Diverts scarce public resources from productive sectors* - prioritizes high-cost projects with large bribes, inflating procurement costs, and draining funds from essential public services

1.2 The Economist's Role & Responsibility

- Shape quality of economic analysis, policy formulation, resource allocation, and public decision-making - budgetary allocations, taxation policies, trade agreements, and development polices and strategies
- When these standards are compromised, policy choices become vulnerable to political influence and rent-seeking
- **Quality of advice**—and the integrity with which it is rendered—directly affects the welfare of over 50 million Kenyans
- **The Profession needs Codified Ethical Obligations**
  - To cement this influence
  - To ensure their work, conduct and practice are founded on sound moral and ethical principles

2. Why Integrity is Non-Negotiable? Why Economists must embrace Professional Ethics?
Theoretical and Practical Foundations

2.1 The Power and Responsibility of the Economics Profession

- DeMartino (2011):
  - Economists and the discipline of economics occupy positions of immense institutional and intellectual authority in the world today
  - Advice and expertise of economists influence lives of millions of people
  - Economic ideas inform and shape government and corporate agendas
  - This influence comes with negative externalities - ideas and actors can lead to significant harm in the society

Source: *Julian Wells (2011).* ***George F. DeMartino's The economist's oath: on the need for and content of professional economic ethics.*** *Oxford: Oxford University Press, 2011, 264 pp. Erasmus Journal for Philosophy and Economics, Volume 4, Issue 2, Autumn 2011, pp. 89-96. http://ejpe.org/pdf/4-2-br-4.pdf*

2.2 Knowledge problems associated with economic practice

- Economic advice, however **"technically sound",** can generate severe human costs when **ethical considerations are marginalized** (DeMartino, 2011):
  - **Deferred knowledge:** Information about the consequences of policy only becomes available after the intervention
  - **Cruel conundrums:** Knowledge of impacts is only known after the action is taken, and cannot be known beforehand
  - **In-principle unknowables:** Fundamental uncertainties about complex economic systems that resist prediction
- Even well-intentioned economists can cause substantial unanticipated harm
  - The 2008 global financial crisis
  - The social costs of structural adjustment programs
  - The consequences of trade liberalization

Impact of 2008 Global Financial Crisis in the US

- **A severe economic downturn** triggered by the collapse of the U.S. housing bubble, widespread subprime mortgage defaults, and the failure of major financial institutions
  - **Lehman Brothers Collapse**: On September 15, 2008, the major U.S. investment bank filed for bankruptcy, sending panic through global markets
  - **Credit Freeze:** Banks stopped lending money to each other and businesses, halting regular economic activity
  - **Government Bailouts:** Governments spent billions of dollars to rescue failing banks and stabilize the financial system
- **Global Impacts**
  - **The Great Recession**: Millions of people lost jobs, savings, and homes to foreclosure, leading to the worst economic drop since the Great Depression
  - **International Spread:** European banks that held U.S. mortgage investments suffered, and countries like Iceland saw their entire banking systems collapse.
  - **New Regulations:** Governments introduced stricter rules, such as the Dodd-Frank Act in the U.S., to make banks safer and prevent future meltdowns

The social costs of structural adjustment programs in Kenya

- SAPs originated in the early 1980s as a creation of the IMF and WB driven by global economic shocks and institutional loan disbursement pressures
- Led to severe social costs primarily driven by **rising poverty, public spending cuts, and the introduction of user fees in essential services**
- Key impacts included:
  - **Increased unemployment** from civil service retrenchment, a decline in educational and health welfare, and soaring income inequality
  - **Education and Health Deterioration Cost-sharing policies**: Governments reduced per capita expenditures, forcing households to pay direct user fees for schooling and medical care
  - **Lower enrollment and care access:** Financial barriers triggered drops in primary and secondary school enrollment alongside a deterioration in the quality of public health services

The consequences of trade liberalization in Kenya

- The post-World War II **multilateral framework** (3 or more countries collaborate to solve shared problems, establish common rules, or pursue mutual interests), driven primarily by the creation of GATT) in 1947, subsequent SAPs in 1980s and the establishment of the World Trade Organization (WTO) in 1995
- Trade liberalization in Kenya brought both benefits and challenges, featuring cheaper consumer goods, increased foreign competition, and **pressure on local manufacturing**
- **Economic and Market Effects**
  - **Lower Consumer Prices:** Tariff reductions made imported items, foods, and manufactured goods cheaper, increasing purchasing power for households
  - **Local Industry Pressure:** Small and local businesses faced intense rivalry from inexpensive foreign imports, particularly from international markets like China and India, which have displaced domestic production
  - **Revenue Shifts:** Lowering import tariffs reduced government tax collections from trade taxes, affecting public service funding
- **Welfare and Employment:**
  - **Unequal Gains:** Benefits spread unevenly across regions; urban households gain more from cheaper manufactured imports, while rural households experience mixed effects depending on agricultural protections
  - **Stagnant Job Growth:** Empirical research indicates that open trade policies have not automatically translated into significant national employment creation or major export

The role of Economists in the Crises

- **2008 Global Financial Crisis:**
  - **Largely failing to predict the collapse**, advocating for free-market deregulation, and later shaping the policy responses
  - **Flawed Models and Blind Spots**
    - *Efficient Market Hypothesis:* Mainstream economic models assumed that financial markets were self-correcting and rational, leaving experts blind to systemic risk
    - *Ignoring the Financial Sector:* Most macroeconomic models treated the banking and financial sector as a mere veil, failing to track how dangerous debt and housing bubbles built up
- **SAPs crisis in developing countries**
  - Designed, implemented and rationalized SAPs, acted as architects of neoliberal policy, technical advisors to IFIS and enforcers of national austerity (**Milton Friedman - the intellectual godfather of the free-market doctrines that later shaped SAPs - a prominent advocate for deregulation, and privatization in developing nations)**
  - Formulated the core tenets of the **Washington Consensus** (a set of 10 free-market economic policy prescriptions for DCs - fiscal discipline, privatization and trade liberalization), pushing neoclassical models that equated development with free-market capitalism
  - Designed loan conditionalities for IMF & WB requiring nations to adopt strict fiscal blueprints before receiving bailout funds
  - Championed macroeconomic stabilization through rapid trade liberalization, deregulation, and widespread privatization of state-owned enterprises

The role of Economists in the Crises cont'd

- **The Trade liberalization crisis in developing countries**
  - Designed and enforced flawed, one-size-fits-all structural adjustment policies
  - Key actors included mainstream neoclassical economists, IFIs like the IMF and domestic technocrats
  - **Policy Design and Ideological Push**
    - **The Washington Consensus:** Economists pushed a standard recipe of rapid tariff cuts, privatization, and deregulation, assuming free markets would instantly generate growth
    - **Comparative Advantage:** Advisors relied on traditional models, arguing that "states that have opened up to international competition use their comparative advantage", as noted by DNB
    - Ignoring Local Realities: Reformers overlooked weak local infrastructure, missing institutions, and the absence of diversified industrial bases in developing countries
  - **Crisis and Socioeconomic Fallout**
    - **Revenue Collapse:** Rapid tariff elimination stripped governments of vital tax income, because "tariffs often accounted for up to half of all tax revenue", leading to public investment cuts
    - **De-industrialization:** Sudden exposure to foreign goods crushed fragile local manufacturing, causing massive job losses rather than the promised export boom
    - **Increased Vulnerability:** Nations became heavily dependent on unstable global markets and foreign finance capital, deepening national debt and poverty

*Source: UNCTAD (2005). **Trade Liberalization and Economic Reform in Developing Countries: Structural Change Or De-industrialization?** Discussion Paper No. No. 179, April 2005, https://unctad.org/system/files/official-document/osgdp20053_en.pdf*

2.3 Economics as a "Tragic Science"

- Scholars characterize economics as a **tragic science** (DeMartino (2023):
  - A field in which practitioners aspire to do good but routinely cause harm
  - The tragedy: economists have a **tendency to approach irresolvable moral problems by turning them into simple math problems**
  - Moral geometry is not the solution
  - Hence economists must embrace professional ethics because their work is uniquely consequential and uniquely uncertain
  - Professional ethics provides the framework for navigating this uncertainty responsibly

Source: *Kwarciński, T. (December, 2023). The tragic science: how economists cause harm (even as they aspire to do good) by George F. DeMartino. Social Entrepreneurship Review, 2:102-106., https://doi.org/10.15678/SER.2022.2.001*

2.4 Should Economists adopt an Oath?

- **The proposition:** adopt an oath centered on two principles **(**DeMartino, 2011)
  - Non-maleficence (do no harm)
  - Autonomy (respect the right of communities to self-determination)
- **These principles require economists** to:
  - Acknowledge the limits of their expertise
  - Disclose real and perceived conflicts of interest
  - Consider distributional consequences and impacts on the most vulnerable
  - Respect the agency of the communities they purport to serve
  - Maintain intellectual humility in the face of economic complexity

Source: *Julian Wells (2011).* ***George F. DeMartino's The economist's oath: on the need for and content of professional economic ethics.*** *Oxford: Oxford University Press, 2011, 264 pp. Erasmus Journal for Philosophy and Economics, Volume 4, Issue 2, Autumn 2011, pp. 89-96. http://ejpe.org/pdf/4-2-br-4.pdf*

3. Cases of International Standards of Professional Ethics for Economists: Lessons for Kenya

3.1 The American Economic Association (AEA) Code of Professional Conduct

- Adopted on April 20, 2018
- Holds that principles of professional conduct should guide economists in academia, government, nonprofit organizations, and the private sector
- **Intellectual and professional integrity are non-negotiable in economic research:**
  - Honesty, care, transparency
  - Acknowledgement of limits of expertise
  - Disclosure of real and perceived conflicts of interest
- For **"perfect freedom of economic discussion"** to exist**,** the profession must embrace free participation and consideration of each idea on its own merits
- Economists have both an **individual responsibility** for their own conduct and a **collective responsibility** to promote professional conduct

3.2 The International Economic Association (IEA) Code of Conduct

- Work of IEA:
  - Promotes the advancement of knowledge on economics
  - Provides a forum for economists to meet and exchange ideas
  - Facilitate discussion and publication of economic research
  - Supports economists (graduates and students) in their efforts to generate new knowledge and to access better professional and training opportunities
- **Recommends best practices for the development and promotion of the economics profession** across academic, professional, and educational domains:
  - **General Principles**: Adhere to the highest standards of honesty and integrity in their work, Act ethically, honestly and with integrity, and Encourages free expression and the exchange of ideas
- Requires economists to:
  - Promote equal opportunity and treatment regardless of personal characteristics
  - Generate inclusive spaces for research, education, and work
  - Avoid actions that create hostile environments
  - Refrain from using their position to coerce or manipulate persons under their supervision
  - Prevent harassment in all its forms

3.3 The European Economic Association (EEA) Code of Professional Conduct

- Requires a commitment to the EEA's core values of:
  - Intellectual and professional integrity
  - Care, honesty, accountability
  - Transparency
- Requires members to:
  - **Conduct themselves ethically, honestly, and with integrity in all dealings**
  - Behave in ways that encourage the free expression and exchange of scientific ideas
  - Strive for an inclusive environment for all colleagues
  - Not engage in discrimination or harassment
  - Not use their position to coerce or manipulate others for personal, economic, or professional advantage

2.4 The International Economic Development Council (IEDC) Code of Ethics

- **For applied economists** working in development, the IEDC Code of Ethics provides relevant guidance
- Professional economic developers shall:
  - Carry out responsibilities in a manner that brings respect to the profession
  - **Practice with integrity, honesty, and adherence to the trust placed in them**
  - Hold themselves free of any interest, influence, or relationship that could impair professional judgment or objectivity
  - Be mindful that they are representatives of the community and shall represent the overall community interest
  - Maintain confidentiality of client affairs
  - Assure that all economic development activities are conducted with equality of opportunity

3.5 Lessons for Kenya

- Three key lessons emerge from these international standards:
  - **Professional ethics** in economics must address:
    - Research integrity
    - Policy advisory integrity
  - **Codes must be enforceable** and accompanied by institutional mechanisms for monitoring and accountability
  - **Ethical standards must be contextualized** to address the specific challenges of the jurisdictions in which economists operate—including:
    - Issues of corruption
    - Political capture
    - Resource scarcity
  - These are particularly salient in developing economies

4. Kenya's situation:
The existing policy, legal and regulatory framework for ethics and integrity in the country

4.1 Kenya's Ethics and Integrity Architecture

- Rests on constitutional values, statutes, and institutional policies
- **The Constitution of Kenya, 2010**
  - Article 10: National Values and Principle's of Governance (Integrity, Transparency, Accountability)
  - Chapter Six: Leadership and Integrity (Public trust, avoidance of conflict of interest)
  - Article 201: Prudent use of public resources.
  - Article 232: Values and Principles of public service - high standards of professional ethics, efficient and effective use of resources, and transparent, accountable public service delivery
- **Key Policies**
  - Kenya Vision 2030 - embeds transparency and accountability as core tenets through results-based public service reforms, transparent resource devolution, and democratic governance structures under its political pillar
  - National Ethics and Anti-Corruption Policy, No. 2 of 2018
  - Procedures for the Prevention of Bribery
  - Various Human Resource Policies and Procedures
  - Code of Conduct and Ethics

Kenya's Ethics and Integrity Architecture cont'd

- **Core Legislation:**
  - ***EACC Act (Cap. 7H):*** establishes EACC, sets out its core functions, and outlines its administrative structure pursuant to Article 79 of COK
  - ***Anti-Corruption & Economic Crimes Act (Cap. 65*)**: prevent, investigate, and punish corruption and economic crimes - empowers EACC - corruption offenses, mechanisms for asset recovery and special magistrates
  - ***Leadership & Integrity Act (Cap. 185C):*** Gives effect to Chapter 6 of COK, sets standards for state officers - public trust, financial integrity, and avoiding conflicts of interest
  - ***Anti-Bribery Act (Cap. 79B):*** governs bribery offenses, extends anti-corruption enforcement to both the public and private sectors - mandatory prevention procedures, strict penalties, and whistleblower safeguards
  - ***Conflict of Interest Act, 2025****:* Regulates and manages actual, potential, or perceived conflicts of interest in public service
  - ***Public Service (Values and Principles) Act, Cap. 185A*** - gives effect to Article 232 of the Constitution, focusing on professional ethics, efficient resource use, and fair appointments

4.2 Professional Regulatory Framework for Economist

- **Operating Environment**
  - Unlike other professions such as law, medicine, engineering, and accountancy in Kenya, economists are not governed by a dedicated Act of Parliament or an independent statutory regulator
  - Economists rely on the broader legal and institutional framework that governs ethical conduct, accountability, and integrity across both the public and private sectors
- **In the Public Sector**, economists, just like the other public officers, are bound by:
  - Leadership and Integrity Act, Cap. 185C
  - Conflict of Interest Act, 2025
  - Public Service (Values and Principles) Act, Cap. 185A

Professional Regulatory Framework for Economist cont'd

- **Private Sector Context**
  - No profession - specific legal framework currently that prescribes ethical standards or a mandatory code of conduct for economists in the private sector
  - Ethical practice depends largely on corporate governance policies, professional judgment, and organizational integrity systems
- **Where statutory regulation is limited**
  - Professional Integrity becomes the economist's strongest safeguard
  - Ethical conduct is not merely a legal obligation - it is the foundation of professional credibility, public trust, and sound economic governance

4.3 Entrenching Integrity: Institutional Structures

- **Written policy alone cannot prevent unethical conduct**
  - Integrity must be embedded in institutional culture and daily practice
  - The National Ethics and Anti-Corruption Policy requires public institutions to establish:
    - Corruption Prevention Committees (CPCs) – set strategic direction and oversee the integrity agenda
    - Integrity Assurance Officers (IAOs) – coordinate day-to-day integrity work, identify risks, and recommend mitigation
  - The Anti-Bribery Act requires both public and private entities to establish and implement adequate procedures for the prevention of bribery
    - Aimed at detecting, preventing, and responding to bribery risks within their operations
- **Proactive Risk Mitigation:**
  - Under the EACC Act, the Commission conducts systems reviews and corruption risk assessments of institutional policies and practices

4.4 Entrenching Integrity: Robust Anti-Corruption Policies

- **Anti-Bribery and Corruption/Ethics Policy**: Defines prohibited conduct and the institution's commitment to ethical behaviour
- **Procedures for the Prevention of Bribery**: Practical measures for identifying and mitigating bribery risks
- **Code of Conduct and Ethics**: Standards of behaviour and professional conduct expected of employees
- **Whistleblower Protection Policy**: Secure, confidential mechanisms for reporting wrongdoing without retaliation
- **Conflict of Interest Policy**: Transparent procedures for declaring and managing personal interests
- **Gifts Policy:** Guidance on accepting, declaring, and managing gifts and hospitality
- **Corruption Reporting Mechanism:** Accessible, confidential channels for receiving and responding to report

4.5 Entrenching Integrity: Fostering Ethical Decision-Making

- **An institution's ethical culture is shaped by what employees observe in daily practice** not by what is written in policy
- To promote ethical conduct and reduce corruption risk, institutions should:
  - Enforce and regularly review a comprehensive code of ethics
  - Require disclosure and management of conflicts of interest
  - Promote transparency in budgeting, procurement, and contracting
  - Strengthen internal controls, oversight, and segregation of duties
  - Conduct regular audits and corruption risk assessments
  - Protect whistleblowers with secure reporting channels
  - Deliver continuous, scenario-based ethics training
  - Use digital technologies to detect irregularities early

5. Role of ESK in building a reputable professional association: Existing opportunities and challenges in embedding ethical standards within the profession

5.1 Role of ESK

- Established in **2015,** ESK has come of age:
  - Track record in advancing the role of economists in the design and execution of key issues related to economic development in Kenya and regionally
  - Holds conventions, seminars, talks, forums, and round-table discussions on topics of national economic importance
  - Membership across all sectors - public sector, academia, research organizations, the development sector
  - Aspires to be a globally recognized professional association in the field of economics
  - Provides a platform for economists to inform and shape development agenda at all levels
  - Plays a crucial role in bridging the gap between aspiring and practicing economists through mentoring and linkage programs for young economists

5.2 Current Ethical Infrastructure

- Key issues and challenges:
  - No legal backing to fully regulate the profession
  - No publicly available, comprehensive Code of Conduct and Ethics for the economics profession in Kenya
  - Emphasis on professional development and policy engagement but the institutionalization of ethical standards—particularly around conflicts of interest, research integrity, and policy advisory conduct—remains an area for development
- Implications for professional ethics and conduct of Economists:
  - Undermines the centrality of economic advice to Kenya's development planning
  - Increases the vulnerability of economic analysis to political capture
  - Entrenches unethical practices - prevalence of conflict of interest - procurement and consultancy arrangements
  - Reputational and professional risks - the absence of a statutory regulatory body for economists comparable to those for accountants, lawyers, or engineers

5.3 Opportunities for Ethical Leadership

- ESK is uniquely positioned to become a leader in professional economic ethics in the region
  - Its multi-sectoral membership provides a broad base for norm and standards setting
  - Its convening power allows it to shape professional standards through seminars, certifications, and continuing professional development
  - Its relatively recent establishment (2015) means it can embed ethical infrastructure from the outset rather than trying to find space and fit in entrenched practices
  - Best practice standards exist in the international environment
  - Kenya has a robust policy, legal and regulatory framework for ethics and integrity

6. Developing a Code of Conduct and Ethics for Economists in Kenya: A Template

6.1 A Code of Conduct and Ethics for Economists

- Must draw on international standards and the specific context of Kenya's governance and development challenges
- Be anchored on the existing policy, legal and regulatory framework for ethics and integrity in Kenya
- Scope and coverage (basic):
  - Preamble
  - Core Principles
  - Standards
    - Research and Publication
    - Policy Advisory and Consultancy
    - Teaching and Mentoring
  - Enforcement and Discipline

i) Sample Preamble

"We, the economists of Kenya, recognizing that our profession carries profound responsibilities to the people of Kenya and acknowledging that economic advice and analysis affect the welfare, rights, and life of the people, do hereby adopt this Code of Conduct and Ethics. We commit ourselves to the highest standards of ethics, integrity, competence, and public service".

ii) Core Principles

- **Integrity and Honesty** in all professional activities
- **Objectivity and Independence** in their analysis and disclose factors that may compromise independence or objectivity
- **Competence:** maintain the highest levels of professional competence and undertake only work for which they are qualified and keep abreast of developments in their fields
- **Transparency and Disclosure:** disclose all real and perceived conflicts of interest,
- **Professional Development:** commit to CPD and contribute to the education and mentoring of younger members of the profession
- **Accountability:** Be accountable for their professional conduct and shall cooperate with legitimate inquiries into their work

iii) Standards for Research and Publication

- **Research Integrity:** conduct research with rigor and intellectual honesty and not engage in plagiarism, data fabrication, or selective reporting of results.
- **Authorship and Attribution:** ensure that authorship reflects actual contributions to research and shall appropriately acknowledge the work of others
- **Peer Review:** conduct reviews objectively, confidentially, and in a timely manner. They shall disclose any conflicts of interest that may compromise their impartiality
- **Data Availability:** where possible and appropriate, make data and code underlying their research available to other researchers to facilitate verification and replication

iv) Standards for Policy Advisory and Consultancy

- **Public Interest:** When advising government, international organizations, or private entities, economists shall place the public interest above private gain or institutional loyalty
- **Conflict of Interest in Advisory Roles:** disclose to their clients and the public any financial or personal interests that may be affected by their recommendations
- **Clarity of Communication:** communicate their findings and recommendations clearly, distinguishing between positive analysis, normative judgment, and speculative prediction
- **Distributional Analysis:** disclose the consequences of policy recommendations, including impacts on different income groups, regions, genders, and generations

v) Standards for Teaching and Mentoring

- **Pedagogical Integrity:** Economists engaged in teaching shall present economic theories and evidence fairly, including competing perspectives and the limitations of dominant paradigms
- **Respect for Students**: treat students with respect and fairness, shall not exploit their labor, and shall avoid relationships that compromise professional boundaries
- **Mentoring:** Actively mentor junior colleagues and students, sharing knowledge and opportunities and fostering an inclusive professional culture

vi) Enforcement and Discipline

- **Ethics Committee:** establish an Ethics Committee responsible for interpreting this Code, receiving complaints, and recommending disciplinary action
- **Complaint Procedure**: Any person may file a complaint alleging a breach of this Code. Complaints shall be investigated fairly and confidentially, with due process afforded to the accused
- **Sanctions:** Sanctions for breaches of this Code may include censure, suspension of membership, expulsion from ESK, and public disclosure of findings. ESK may also refer matters to the EACC or other relevant authorities where corruption or criminal conduct is suspected
- **Appeals:** Members shall have the right to appeal disciplinary decisions to an independent Appeals Panel

7. Areas of partnership between ESK and EACC to promote and enforce the standards

7.1 ESK-EACC Partnership Framework for Promoting Professional Ethics

- EACC is mandated under Articles 79 of the CoK and Section 3 of the EACC Act to spearhead the fight against corruption and promote sound ethical standards and practices in Kenya
- EACC develops and promote standards and best practices in integrity and anti-corruption, developing codes of ethics, and working with other state and public offices in this endeavor
- The Commission has a demonstrated track record of partnering with professional bodies and other stakeholders through MOUs – IHRM, KISM etc.
- A strategic partnership between ESK and EACC would leverage the complementary strengths of both institutions:
  - ESK's professional authority and convening power
  - EACC's statutory mandate and institutional capacity for ethics promotion and enforcement

7.2 Partnership Objectives

- To develop and promote a Code of Conduct and Ethics for Economists in Kenya
- To integrate professional ethics into economics education and training
- To establish mechanisms for reporting and addressing unethical conduct by economists
- To conduct joint research on the ethical dimensions of economic policy in Kenya
- To raise public awareness of the role and ethical obligations of economists

7.3 Proposed Partnership Mechanisms

- **Memorandum of Understanding (MOU)**
  - Negotiate and sign a formal MOU establishing the partnership framework, roles, and responsibilities. The MOU should cover:
    - Joint development and periodic review of the Code of Conduct and Ethics
    - Co-hosting of annual ethics forums for economists
    - Exchange of information on ethical breaches (within legal constraints)
    - Collaborative public education campaigns
- **Ethics Committee**
  - An Ethics Committee comprising representatives from ESK should be established to:
    - Oversee the development, implementation and enforcement of the Code (EACC provides technical guidance, review and approval of the Code)
    - Develop ethics training curricula for Economists - formal training and CPDs
    - Investigate complaints (EACC undertakes background checks and integrity vetting)
    - Refer to EACC cases of ethical breaches, corruption and economic crime for action
    - Recommend policy reforms to strengthen ethical governance in economic advisory roles

Proposed Partnership Mechanisms cont'd

- **Ethics Certification and Continuing Professional Development**
  - ESK, in collaboration with EACC, should develop:
    - An ethics certification requirement for ESK membership
    - Mandatory continuing professional development (CPD) modules on ethics
    - A mentorship program pairing senior economists with junior professionals, with ethics as a core component
- **Integrity Assurance and Corruption Prevention Committee Framework**
  - Drawing on EACC's experience with IAOs and CPC in the public sector, ESK should establish an Integrity Assurance mechanism within member institutions to monitor compliance with the Code and report systemic ethical risks, specifically in:
    - MDACs
    - Banking and Non Banking Financial Institutions
    - Research organizations
    - Consultancy firms and NGOs

Proposed Partnership Mechanisms cont'd

- **Public Interest Disclosure and Reporting**
  - Economists who witness corruption, policy capture, or unethical conduct in their professional roles often face retaliation
  - The partnership should establish a protected disclosure channel through which economists can disclose and report ethical breaches, corruption and economic crime confidentially to EACC (Anonymous reporting)
- **Joint Research and Policy Analysis**
  - The partnership should commission joint research on:
    - The economic costs of corruption and policy capture in Kenya
    - The role of economic advice in promoting or undermining integrity
    - Best practices in ethical economic policymaking in comparable jurisdictions

8. Conclusion and Recommendations

8.1 Conclusion

- The economics profession in Kenya stands at a critical juncture: Kenya is pursuing an ambitious development agenda: Vision 2030, BETA, and Regional Integration etc.
- The quality, independence, and integrity of economic advice will be decisive determinants of success or failure
- Without a robust framework of professional ethics, economists remain vulnerable to conflicts of interest, political capture, and the unintended consequences of technocratic hubris
- Therefore **integrity is non-negotiable for economists**—not as an abstract moral ideal, but as a practical necessity for responsible professional practice
- A comprehensive Code of Conduct and Ethics for Economists in Kenya is overdue
- A strategic partnership framework between the ESK and EACC is timely and imperative

8.2 Recommendations

- ESK should:
  - Formally and urgently promulgate a Code of Conduct and Ethics for the profession
  - Strategically pursue establishment as a statutory body under an Act of Parliament. This will facilitate ESK's GOK recognition as a strategic partner in economic governance and enhance members' compliance with set ethical standards for economists
  - Consider and explore partnership with EACC through an MOU modelled on EACC's existing partnership frameworks
  - Work with universities and training institutions offering economics degrees in Kenya to integrate professional ethics into their curricula, drawing on the proposed Code and the pedagogical resources that will be developed through the ESK-EACC partnership
  - Work closely with development partners and IFIs operating in Kenya to ensure disclosure of conflicts of interest and adherence to ethical standards by the economists they engage

Call to Action - Economists as Strategic Thinkers:

“Master Complexity, Command Clarity, Own the Future”

Nathan Mohart

Tech Entrepreneur

Thank You

Tuangamize Ufisadi, Tuijenge Kenya

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